PD-BBU-680
68075

CLASSIFICATION

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROGRAM ASSISTANCE APPROVAL DOCUMENT (PAAD)

1. PAAD Number: 641-0119
2. Country: Ghana
3. Category: Cash Grant
4. Date:
5. To: A-AA/AFR, Walter Bollinger
6. OYB Change Number: N/A
7. From: USAID/Ghana, F. Gary Towery
8. OYB Increase: N/A
To be taken from:
9. Approval Requested for Commitment of: $ 7.0 million
10. Appropriation Budget Plan Code:
11. Type Funding: ☐ Loan ☒ Grant
12. Local Currency Arrangement: ☒ Informal ☐ Formal ☐ None
13. Estimated Delivery Period: FY90-91
14. Transaction Eligibility Date: N/A
15. Commodities Financed: N/A

16. Permitted Source	17. Estimated Source
U.S. only	U.S.
Limited F.W.	Industrialized Countries
Free World	Local
Cash $7,000,000	Other

18. Summary Description

PREP is a program supported with a $35.0 million A.I.D. grant designed to strengthen the policy and institutional framework required to assure a quality, effective, equitable and financially sustainable primary education system in Ghana by the year 2000. PREP addresses key economic, financial, institutional and social constraints to improving Ghana's primary education system in three principal ways. First, it supports policy and institutional reform through conditionality on disbursement of $32.0 million in sector cash grant funds. Second, local currency (LC) generated through auction of dollars will be used to support the primary education budget. Third, PREP provides limited projectized funding ($3.0 million) for technical assistance, training, studies, evaluations, financial assessments and financial management reviews. PREP's $32.0 million sector cash grant will also support Ghana's Economic Recovery Program (ERP) by increasing the amount of foreign exchange made available in Ghana through auction.

(Continued on the following pages)

19. Clearances

	Initials	Date
DAA/AFR:ELSaiers		7/10/90
GC/AFR:PJohnson		13 July 90
AFR/PD:TBork		13 July 90
AFR/PD:AGetson (draft)		7/11
AFR/TR:JGilmore (draft)		7/12
AFR/DP:JGovan (draft)		7/12
PFM/FM/CONT:Musnick (draft)		7/12
AFR/CCWA:MGolden (draft)		7/12
PPC/PB:RMaus (draft)		7/11

20. Action

☐ APPROVED ☐ DISAPPROVED

Authorized Signature: Walter Bollinger
Date: July 16, 1990
Title: Acting Assistant Administrator

AID 1120-1 (5-82) CLASSIFICATION

BEST AVAILABLE COPY

Conditionality

With regard to the dollar funds, there will be disbursement in five tranches based on the following substantive conditionality:

Tranche 1. Prior to disbursement of US$ 4.0 million Tranche 1 Program funds, the GOG will submit to USAID/Ghana:

1) An opinion of counsel acceptable to A.I.D. that this agreement has been duly authorized; a statement of the persons who will act as representatives of the grantee; and a specimen signature of each representative;

2) A statement designating the U.S. Bank and account for dollar disbursement;

3) A statement confirming that the special local currency account required by Section 5.1 has been opened in the name of the Government of the Republic of Ghana and specifying the bank and the number of the account;

4) A plan to restructure the role of the Project Management Unit of the Ministry of Education to include coordination of the implementation of the program on behalf of the grantee; and

5) A Ministry of Education plan for the disaggregation of data on budgets and expenditures for primary education over the life of the project.

Tranche 2. Prior to disbursement of funds in excess of $4.0 million, the GOG will submit to USAID/Ghana:

1) A statement of the amounts budgeted and expended for primary education by the grantee in GOG FY 1990;

2) Evidence that the amount budgeted by the grantee for primary education in GOG FY 1991, as a percentage of recurrent budget of the Ministry of Education for that year, is not less than the percentage budgeted for primary education in 1989;

3) Evidence that the grantee has put into operation a program, approved by A.I.D., to train personnel involved in primary education; and

4) Evidence that the grantee, through the Ministry of Education, has started a pilot program, as approved by A.I.D., to improve equity in the Grantee's Primary Education System.

3X

Tranche 3. Prior to disbursements in excess of $11.0 million, the GOG will submit to USAID/Ghana:

1) A statements of the amounts budgeted and expended by the grantee for primary education in GOG FY 1991;

2) Evidence that grantee expenditures for primary education in GOG FY 1991 were consistent with the 1991 budget for primary education;

3) Evidence that the amount budgeted by the grantee for primary education in GOG FY 1992, as a percentage of the recurrent budget of the Ministry of Education for that year, is not less than the percentage budgeted for primary education in 1989;

4) A policy and plan to increase to 6% by the end of the GOG FY 1993 the amount of the recurrent primary education budget of the Ministry of Education, excluding funds made available by donors, which is spent on teaching materials;

5) Evidence that the grantee is implementing a decentralization plan for the Ministry of Education;

6) Evidence that the Grantee is implementing a policy to improve equity in the primary education system;

7) Evidence that the grantee has developed and approved criterion referenced tests and that the grantee has initiated pilot testing.

Tranche 4. Prior to disbursements in excess of $19,000,000, the GOG will submit to USAID/Ghana:

1) A statement of the amounts budgeted and expended for primary education by the grantee in GOG FY 1992;

2) Evidence that grantee expenditures for primary education in GOG FY 1992 were consistent with the 1992 budget for primary education;

3) Evidence that the amount budgeted by the grantee for primary education in 1993, as a percentage of the recurrent budget of the Ministry of Education for that year, is not less than the percentage budgeted for primary education in 1989;

Tranche 3. Prior to disbursements in excess of $11.0 million, the GOG will submit to USAID/Ghana:

1) A statements of the amounts budgeted and expended by the grantee for primary education in GOG FY 1991;

2) Evidence that grantee expenditures for primary education in GOG FY 1991 were consistent with the 1991 budget for primary education;

3) Evidence that the amount budgeted by the grantee for primary education in GOG FY 1992, as a percentage of the recurrent budget of the Ministry of Education for that year, is not less than the percentage budgeted for primary education in 1989;

4) A policy and plan to increase to 6% by the end of the GOG FY 1993 the amount of the recurrent primary education budget of the Ministry of Education, excluding funds made available by donors, which is spent on teaching materials;

5) Evidence that the grantee is implementing a decentralization plan for the Ministry of Education;

6) Evidence that the Grantee is implementing a policy to improve equity in the primary education system;

7) Evidence that the grantee has developed and approved criterion referenced tests and that the grantee has initiated pilot testing.

Tranche 4. Prior to disbursements in excess of $19,000,000, the GOG will submit to USAID/Ghana:

1) A statement of the amounts budgeted and expended for primary education by the grantee in GOG FY 1992;

2) Evidence that grantee expenditures for primary education in GOG FY 1992 were consistent with the 1992 budget for primary education;

3) Evidence that the amount budgeted by the grantee for primary education in 1993, as a percentage of the recurrent budget of the Ministry of Education for that year, is not less than the percentage budgeted for primary education in 1989;

United States
Agency for International Development

PROGRAM ASSISTANCE APPROVAL DOCUMENT
(PAAD)

GHANA PRIMARY EDUCATION PROGRAM
(PREP)
641-0119

UNCLASSIFIED

USAID/GHANA
May, 1990

Authorized: US$ 35,000,000

Date: _____

Table of Contents

PROGRAM ASSISTANCE APPROVAL DOCUMENT
GHANA PRIMARY EDUCATION PROGRAM

(PREP: 641-0119)

Program Data Sheet
Project Data Sheet
Action Memorandum for the Assistant Administrator
Project Authorization
Table of Contents
Acronyms and Abbreviations
Map
Definition of Terms

Section		Page
1.0	EXECUTIVE SUMMARY AND RECOMMENDATIONS	1-1
2.0	BACKGROUND	2-1
2.1	COUNTRY OVERVIEW	2-1
2.2	MACROECONOMIC FRAMEWORK	2-2
2.2.1	Macroeconomic Overview	2-2
2.2.2	The Economic Recovery Program	2-2
2.2.3	Constraints to Medium-Term Growth	2-3
2.2.4	Future Prospects	2-5
2.3	EDUCATION SECTOR FRAMEWORK	2-6
2.3.1	Sector Overview	2-6
2.3.2	Sector Description	2-6
2.3.3	Sector Constraints	2-9
2.4	THE GOG EDUCATION REFORM PROGRAM AND DONOR ASSISTANCE	2-15
2.4.1	The GOG Education Reform Program	2-15
2.4.2	Donor Assistance	2-17
3.0	PROGRAM DESCRIPTION	3-1
3.1	PROGRAM RATIONALE, STRATEGY AND APPROACH	3-1
3.1.3	Program Rationale	3-1
3.1.2	Program Strategy	3-1
3.1.3	Program Approach	3-1
3.1.4	Consistency with Agency Policies	3-2

X
7

Section		Page
3.2	PROGRAM GOAL AND PURPOSE	3-3
3.3	PROGRAM OUTPUTS AND END OF PROGRAM INDICATORS	3-4
3.3.1	Disaggregated Primary Education Finance Data	3-4
3.3.2	Stabilized Primary Education Budgets and Expenditures	3-5
3.3.3	Increased Materials Expenditures	3-6
3.3.4	Increased Decentralization	3-6
3.3.5	Improved Staff Quality	3-7
3.3.6	Improved Equity	3-8
3.3.7	Student Achievement Testing	3-9
3.4	THE PROJECT COMPONENT	3-9
3.5	BENEFICIARIES	3-10
4.0	PROGRAM IMPLEMENTATION PLAN	4-1
4.1	AUTHORIZATIONS AND OBLIGATIONS	4-1
4.2	CONDITIONALITY	4-1
4.2.1	Conditions Precedent	4-2
4.2.2	Covenants and Other Provisions	4-6
4.2.3	Contextual Relationships and Feasibility	4-6
4.3	TRANCHE REVIEWS AND DISBURSEMENT	4-8
4.3.1	Tranche Reviews	4-8
4.3.2	Tranche Disbursement	4-9
4.3.3	Dollar Tracking	4-9
4.4	LOCAL CURRENCY PROGRAMMING, MANAGEMENT AND MONITORING	4-10
4.4.1	Background	4-10
4.4.2	Local Currency Uses	4-10
4.4.3	Local Currency Release and Control	4-11
4.4.4	Local Currency Monitoring, Evaluation and Reporting	4-11
4.5	IMPLEMENTATION OF THE PROJECTIZED COMPONENT	4-12
4.6	SUMMARY OF IMPLEMENTATION RESPONSIBILITIES	4-13
4.6.1	Ministry of Finance and Economic Planning	4-13
4.6.2	Ministry of Education	4-14
4.6.3	MOE Project Management Unit	4-14
4.6.4	Institutional Contractor	4-15
4.6.5	USAID/Ghana	4-15
4.7	DONOR COORDINATION	4-16
4.8	WAIVERS	4-17
4.9	GRAY AMENDMENT CONSIDERATIONS	4-17

8

Section		Page
5.0	DEVELOPMENT FUND FOR AFRICA (DFA) PROCUREMENT PLAN	5-1
5.1	OVERVIEW	5-1
5.2	LOCAL CURRENCY PROCUREMENT	5-1
5.3	PROJECT PROCUREMENT	5-2
6.0	FINANCIAL ANALYSIS	6-1
6.1	COST ESTIMATES AND METHODS OF IMPLEMENTATION AND FINANCING	6-1
6.2	HOST COUNTRY CONTRIBUTION	6-1
6.3	OBLIGATION SCHEDULE	6-1
7.0	MONITORING AND IMPACT ASSESSMENT PLAN	7-1
7.1	IMPLEMENTATION MONITORING	7-1
7.2	IMPACT ASSESSMENT	7-1
7.2.1	Institutional Impact	7-2
7.2.2	People Level Impact	7-2
8.0	EVALUATION PLAN	8-1
8.1	EVALUATIONS	8-1
8.2	FINANCIAL ASSESSMENTS AND FINANCIAL MANAGEMENT REVIEWS	8-1
9.0	FEASIBILITY ANALYSES	9-1
9.1	ECONOMIC FEASIBILITY AND SUSTAINABILITY	9-1
9.1.1	MOE Financing Gap	9-1
9.1.2	Macroeconomic Impact	9-1
9.1.3	Economic Sustainability	9-4
9.1.4	Rates of Return	9-5
9.2	INSTITUTIONAL AND TECHNICAL FEASIBILITY	9-5
9.2.1	Bank of Ghana and the Foreign Exchange Regime	9-5
9.2.2	Ministry of Finance and Economic Planning	9-7
9.2.3	Ministry of Education	9-7
9.2.4	Technical Feasibility	9-10
9.3	FINANCIAL FEASIBILITY	9-12
9.4	SOCIAL FEASIBILITY	9-14

List of Tables

Table		Page
Table 2-1.	Private Sector Enrollments and Access to Primary School by Region.	2-8
Table 2-2.	Number of Students, Percentage Enrollment, and Percentage of Budget by Education Level.	2-11
Table 3-1.	Education of Household Heads by General Poverty Level.	3-2
Table 4-1.	Implementation Schedule.	4-18
Table 4-2.	Conditions Precedent and CP Programming Schedule.	4-3
Table 4-4.	Summary Disbursement Schedule, Projectized Component.	4-13
Table 5-1.	Project Procurement Plan.	5-2
Table 6-1.	Detailed Cost Estimates, Projectized Component.	6-2
Table 6-2.	Summary Cost Estimates and Financial Plan.	6-4
Table 6-3.	Projection of Expenditures by Fiscal Year.	6-5
Table 6-4.	Methods of Implementation and Financing.	6-6
Table 6-5.	Summary of Direct Estimated GOG Contribution to PREP.	6-7
Table 6-6.	Illustrative Obligation Schedule, PREP PRogram.	6-7
Table 9-1.	Estimated Education Sector Financing Gap.	9-2
Table 9-2.	Central Government Expenditure by Economic Classification.	9-3
Table 9-3.	Central Government Expenditure by Functional Classification.	9-4

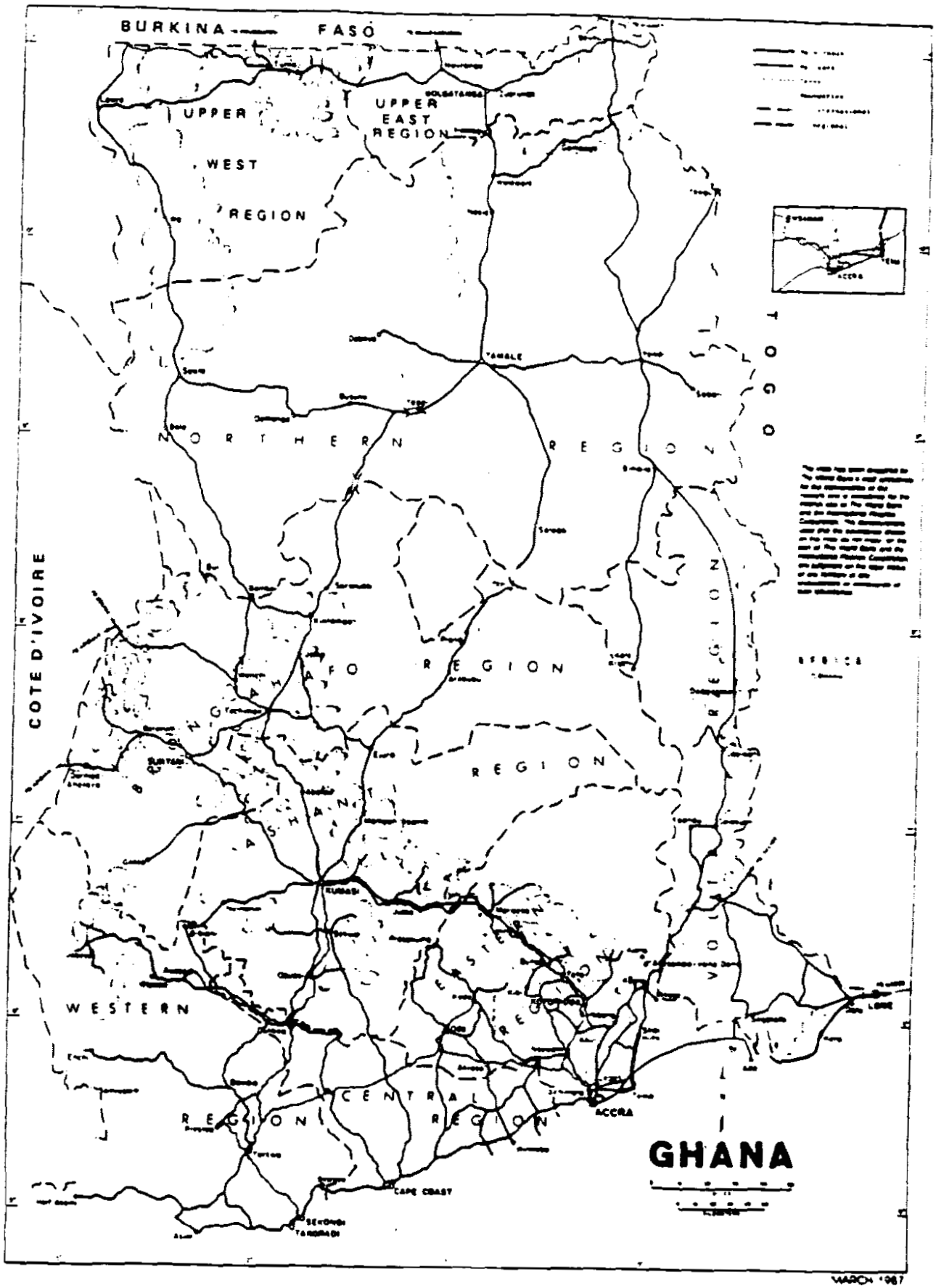
List of Annexes

Annex A.	PAIP Approval Cable
Annex B.	Statutory Checklist
Annex C.	Logical Framework
Annex D.	Borrower/Grantee Request for Assistance
Annex E.	Institutional and Technical Analysis
Annex F.	Economic Analysis
Annex G.	Financial Management Assessment
Annex H.	Social Analysis
Annex I.	Monitoring and Evaluation Plan
Annex J.	Key Scopes of Work
Annex K.	Training Plan
Annex L.	Draft USAID/Ghana Trust Fund Agreement (Reserved).
Annex M.	Justification for Waiver of Sct. 592(b) of the Foreign Operations, Export Financing, and Related Programs Appropriations Act of 1990
Annex N.	Initial Environmental Examination
Annex O.	Bibliography of Analytical and Reference Documents

Acronyms and Abbreviations

ABEL	Advancing Basic Education and Literacy Project (AID).
AFR/TR/EHR	Africa Bureau Office of Technical Resources, Education and Human Resources Division.
A.I.D	United States Agency for International Development.
APPP	Agricultural Productivity Promotion Program (AID).
BOG	Bank of Ghana.
CDSS	Country Development Strategy Statement (A.I.D.)
CO	Circuit Officer.
CP	Condition Precedent.
CRDD	Curriculum, Research and Development Division (MOE).
CRT	Criterion-referenced Tests.
CSC	Civil Service Commission (GOG).
DA	District Assemblies.
DEO	District Education Officer.
DFA	Development Fund for Africa (A.I.D.).
DOA	Delegation of Authority.
ECPR	Executive Committee for Project Review (USAID).
EDSAC	Education Sector Adjustment Credit (GOG-World Bank).
8(a) Firm	Minority Owned or Small Business (AID).
ERC	Educational Reform Committee (MOE).
ERP	Economic Recovery Program.
FMR	Financial Management Review.
FX	Foreign Exchange.
GDP	Gross Domestic Product.
GES	Ghana Education Service.
GNP	Gross National Product.
GOG	Government of Ghana.
GLSS	Ghana Living Standards Survey.
HRDA	Human Resources Development Assistance Project (AID).
HRDO	Human Resources Development Officer (AID).
IBRD	International Bank for Reconstruction and Development (The World Bank).
IDA	International Development Agency.
IMF	International Monetary Fund.
JSS	Junior Secondary School.
LC	Local Currency.
Logframe	Logical Framework (AID).
MFEP	Ministry of Finance and Economic Planning (GOG).
MOE	Ministry of Education (GOG).
NPCSR	National Planning Committee for School Reform.
ODA	Overseas Development Administration
OE	Operating Expenses.
OVI	Objectively Verifiable Indicator.
OYB	Operating Year Budget (AID).
PAAD	Program Assistance Authorization Document (AID).
PAIP	Program Assistance Initial Proposal (AID).
PAMSCAD	Program of Action to Mitigate the Social Costs of Structural Adjustment.
PD&S	Project Development and Support Funds (AID).
PIL	Project Implementation Letter (AID).
PLI	People Level Impact.

PBME	Program, Budgeting, Monitoring and Evaluation (MOE) Division (MOE).
PMU	Program Management Unit (MOE).
PNDC	Provisional National Defence Council.
PREP	The Ghana Primary Education Program.
REDSO/WCA	Regional Economic Development Services Office for West and Central Africa (AID).
SAP	Structural Adjustment Program.
SDP	Staff Development Program.
SSS	Senior Secondary School.
T	Tranche.
TA	Technical Assistance.
TTC	Teacher Training College.
UNDP	United Nations Development Program.
UNESCO	United Nations Educational, Scientific and Cultural Organization.
USAID	An Overseas Mission of A.I.D.
World Bank	International Bank for Reconstruction and Development.


BURKINA FASO
UPPER WEST REGION
UPPER EAST REGION
NORTHERN REGION
TOGO
COTE D'IVOIRE
ASHANTI REGION
BRONG AHAFO REGION
EASTERN REGION
VOLTA REGION
WESTERN REGION
CENTRAL REGION
ACCRA
CAPE COAST
GHANA
MARCH 1987

13

Definition of Terms

Key education technical terms are defined as follows, shown where applicable with indicators employed for the respective terms during PREP Program Design.

Access. Availability of an education system to all children in a target age group. Indicator: Enrollment rates for target age group.

Attrition. Decrease in initial enrollment rate, expressed as either absolute numbers or as percents. Indicator: Enrollment change within a cohort over time.

Cohort. A given group or entry class of students.

Effectiveness. Ability of an education system to educate children at a given level of proficiency in, e.g., reading, writing and arithmetic. Indicators: Exam scores and test results.

Efficiency. Ability of an education system to achieve educational goals at the least cost (cost-effectiveness). Indicators: 1) Dropout and repeater rates. 2) Percentage of students entering Grade 1 who at Grade 6 meet criteria. 3) Unit cost per graduate.

Equity. Equal access to educational resources. Indicators: 1) Subgroup enrollment rates. 2) Subgroup retention rates.

Financial Sustainability. The ability to maintain a given quality "design case" educational system within available financial resources. Implies allocation of government resources to public education without deficit spending. Indicator: 100% of the recurrent costs of a design case education system funded out of a government's own budget resources.

Gender. Differentiation among and within groups, i.e., male or female.

Repeater. A student who repeats a given grade level one or more times. Indicator: Repetition rate.

Retention. The degree to which an original cohort persists over time. Indicator: Dropout and retention rates.

Retrenchment. Involuntary reduction in force of employees in an education system (vs. "attrition").

Quality. Ability of an education system to achieve desired learning goals. Primary Indicator: Student achievement scores. Determinants: 1) Percentage of trained teachers. 2) Access to teaching materials. 3) Student attendance. 4) Retention rates. 5) Dropout and repeater rates. 6) Number of PTAs and other community education activities. 7) Adequacy of physical inputs. 8) Relevance of curriculum materials. 8) Child health/nutrition. 10) Monitoring and data collection and analysis.

PROGRAM ASSISTANCE APPROVAL DOCUMENT
GHANA PRIMARY EDUCATION PROGRAM

(PREP: 641-0119)

1.0 EXECUTIVE SUMMARY AND RECOMMENDATIONS

The Program. The Ghana Primary Education Program (PREP) is a five year US$35 million initiative designed to significantly strengthen the policy and institutional framework required to establish a quality, accessible, equitable and financially sustainable Ghanaian primary education system by the year 2000.

Background. The largest component of PREP consists of a US$ 32 million sector cash grant that supports Ghana's Economic Recovery Program (ERP) by making foreign exchange available through auction. Implemented in 1983 to correct macroeconomic imbalances accruing from a decade of economic decline, Ghana's ERP had by 1989 led to the longest period of uninterrupted economic growth since independence. Associated with the ERP was a 1986 World Bank-supported US$ 34.0 million Education Sector Adjustment Credit (EDSAC), designed to support the Government of Ghana's (GOG's) education reform program and radically overhaul the public education system. EDSAC I focused on system-wide structural reform, with a special emphasis on Grades 7-9; EDSAC II, a US$ 50.0 million credit to further support GOG educational reforms, has a primary focus on Grades 10-12 and will be signed in 1990.

The Problem. Ghana's public education system has experienced major structural improvements under EDSAC. The primary education system, however, the foundation upon which EDSAC rests, is not performing. Only 69% of all six year olds are in school, only 60% of these finish, and economic, regional and gender disparities are enormous. For example, less than half of Ghana's poorest children go to school and only 34% are enrolled in the Upper East Region. In the Northern Region, retention falls to 27% and girls are only half as likely to attend school as boys. Moreover, the Ghana Living Standards Survey estimates that only 12% of Ghana's 9-14 year old children are literate and numerate. Given that primary school is the only level of formal education that most Ghanaians will ever receive, this leaves a great cohort of the population illiterate and ill-prepared to function effectively in a developing economy. It also has a significant spillover effect on post-primary levels, and if primary education is not strengthened the necessary improvements to the rest of Ghana's education system will not be achieved.

Program Approach. The objective of PREP is to improve Ghana's primary education system. Prior to designing PREP, USAID/Ghana undertook a Basic Education Sector Review Update which identified over 40 significant constraints to improved primary education. PREP addresses the key economic, financial, institutional and social constraints identified by 1) supporting policy and institutional reform; 2) programming local currency to fund urgent short-term needs; and 3) providing limited projectized assistance.

Economic Constraints. The key economic constraint to improving primary education is a limit to Government of Ghana (GOG) spending which under the ERP cannot exceed revenues on a recurrent basis. PREP contributes to an easing of limits to GOG sector allocations by directly contributing to Ghana's economic growth, and by supporting the ERP through provision of foreign exchange.

Financial Constraints. Major financial constraints relate to Ministry of Education (MOE) resource allocation priorities. First, MOE budgets prior to EDSAC were heavily overweighted towards higher education levels. This allocation constraint has greatly improved since 1987, and PREP requires proportional stabilization of primary education budgets at 1989 levels. MOE expenditure and budget levels are also inconsistent, and there occurs significant underspending on primary education. In response, the Program requires consistency in expenditure and budget amounts. Finally, because MOE expenditures are heavily overweighted towards personnel costs at the expense of school materials, PREP requires increased expenditures for primary school text books and teaching materials and an MOE materials expenditure policy. To implement these financial reforms, PREP also requires disaggregation of primary education budget and expenditure data.

Institutional Constraints. Key institutional constraints to an improved primary education system are overcentralization and underqualified employees. PREP strengthens ongoing MOE decentralization efforts by 1) requiring an MOE decentralization policy and 2) programming $4.0 million in LC equivalent to improve planning, management and supervision. To address employee underqualification, especially that of primary school teachers, PREP requires implementation of an approved Staff Development Program.

Social and Geographical Constraints. Numerous social, cultural and geographical factors significantly constrain access to and the equity of Ghana's primary education system. The major constraint is poverty. Population distribution, limited parental and community involvement in the education process, and traditional cultural practices are also major factors. PREP adopts a focused yet flexible strategy for addressing these constraints, leveraging an MOE Equity Improvement Program (EIP).

Projectized Activities. PREP includes a $3.0 million projectized component to support Program implementation, assessment of the people level impact (PLI) of the Program, financial reviews, and evaluations. Technical assistance will be procured to help the MOE design, test and implement a system to quantitatively assess PLI impact through collection and analysis of gender-disaggregated enrollment, retention and achievement data through the year 2000. To effect this, PREP supports Grade 6 student criterion-referenced testing. A mid-term Program evaluation is scheduled for 1993 to evaluate progress in attaining objectives and assess new sectoral targets of opportunity.

16

Program Achievements. By the EOP in 1995, adequate proportional funding will exist for primary education, a Ministry of Education (MOE) policy will exist for increasing primary school materials expenditures to at least 6% of MOE recurrent budgets, and materials expenditures will have been at 6% or more since 1993. The MOE will have an implemented policy for devolution of financial, managerial and operational authority; system planning, management and supervision functions will be significantly strengthened; and 90% of primary schools will have qualified teachers and basic teaching materials. An institutionalized student achievement testing system will also be operational, and a clear trend showing improved student achievement will be apparent. Finally, the MOE will have a policy for improving system equity and will be implementing an Equity Improvement Program.

By the year 2000, 80% of Ghana's children will attend primary school, 80% of those will graduate from Grade 6, and 80% of Grade 6 graduates will meet achievement criteria in reading, writing and arithmetic. There will also be a 50% increase in enrollment and a 25% increase in retention of all children, including girls, in areas targeted by PREP's Equity Improvement Program. Finally, a primary school student:teacher ratio of 40:1 will have been achieved and the MOE will be funding 100% of primary education costs from its own recurrent budget.

Beneficiaries. By the EOP, 63,000 primary school educators, 1400 supervisory personnel and approximately 2.1 million children will have directly benefited from PREP. This benefit stream will increase substantially after the EOP, affecting all children who attend primary school and increasing, later in life, the incomes of those who complete the primary school cycle. PREP will thus substantially benefit the entire nation. Specially targeted beneficiary groups are children, especially girls, in districts currently underrepresented in the system that will be the focus of the PREP Equity Improvement Program.

Disbursement. Given its focus on sectoral reform and policy dialogue, PREP employs a sector cash grant disbursement mechanism. Funds will be disbursed in five tranches, 1990-1994, against receipt of evidence that specific conditions precedent to disbursement have been met. PREP will establish and use separate accounts in both New York and Ghana for dollars and local currency, respectively, and dollars will be tracked until sold on the local foreign exchange auction by the Bank of Ghana. The local currency generated from the auction of dollars will be programmed by the Government of Ghana (GOG) in support of primary education.

Recommendation. PREP was designed in full collaboration with the MOE and other GOG implementing institutions. Target policy and institutional reforms have been carefully analyzed, fully vetted by the GOG, and are feasible in the time frame allotted. They are also consistent with Ghana's Economic Recovery Program, the GOG education reform program, and other donor sectoral objectives. Impact analysis at both the macro and micro levels, including economic, financial, institutional, technical and social analyses, indicate that PREP will have significant positive impact on target beneficiaries as well as for the entire nation. It is therefore recommended that PREP be authorized and obligated in FY 1990.

17

2.0 BACKGROUND

2.1 COUNTRY OVERVIEW

Ghana lies on West Africa's Gulf of Guinea and is about the size of Oregon. Coastal Ghana is dominated by low-lying plains with alternating grass cover and mangrove. The west and southern interior are tropical forest areas, the central Volta River region is covered with savannah woodland and swamps, and the north is primarily savannah. About 19% of Ghanaian territory is used for agriculture. Northern Ghana has a rainy season lasting from April-October, and a hot, dry season the rest of the year with temperatures reaching 100 degrees fahrenheit. In the south, rains last from April-June and again from September-October. Temperatures in the south range annually from only about 74-86 degrees.

Ghana's name derives from one of the great West African trading empires flourishing from the 4th-11th centuries which included the famed university city of Timbuktu in what is now Mali. Modern history is marked by contact with Portugese traders in 1470, who later developed gold mining and a slave trade in the area. The British gained control over this "Gold Coast" in the 19th century, and over what is now Ghana in 1901 after 74 years of fighting the peoples of the Ghanaian interior.

The Convention People's Party, under the leadership of Kwame Nkrumah, won legislative elections in 1951 and in 1957 Ghana became the first African colony to gain independence from Britain. Three years later, Ghana became a republic and Kwame Nkrumah was elected president. President Nkrumah was, however, deposed by a military coup in 1966. Since then, Ghana has been ruled by a series of military and civilian governments. The current leadership, the Provisional National Defense Council (PNDC), assumed power in 1981 through a military coup led by the PNDC Chairman, Flight Lieutenant Jerry John Rawlings.

Ghana's population of about 14.0 million is growing at an annual rate of 3%, and population density is about 110 per square mile. About 99.8% of the population is native African, the balance being of European and other non-African extraction. There are over 100 different ethnic groups, most with their own language and culture. Major groups include the coastal Fante, the Asante in the south central area, the Ga and Ewe in the south, and the Hausa and Moshi-Dagomba in the north. Common languages include Akan (spoken by 44% of the people), Mole-Dagbani (16%), Ewe (13%), and Ga-Adange (8%). Because of the great diversity of dialects, no single native national language exists. English, the official language, is used in schools, business and government and most Ghanaians are multilingual.

Traditional African beliefs and practices still play a major role in the lives of Ghanaians. The population is about 45% animist, 43% Christian, and 12% Muslim; many traditional religious practices are inseparable from the life and culture of Ghanaians, are retained regardless of formal religious affiliation.

18X

2.2 MACROECONOMIC FRAMEWORK

2.2.1 Macroeconomic Overview

Ghana's per capita income was estimated at US$ 390 in 1987, and is now over US$ 400. Agriculture accounts for 48% of gross domestic product (GDP), industry for about 21%, and the service sector for about 31%. Cocoa alone accounts for over 60% of Ghana's export earnings, about one fourth of government tax revenue, and about one third of government employment. Ghana suffered significant economic problems in the last twenty years, in spite of an endowment of abundant arable land, extensive gold, diamond, bauxite and manganese deposits, surplus hydroelectric power, substantial crude oil deposits, and large forest and ocean resources.

In 1960, Ghana had one of the most highly developed economic and social infrastructures in Sub-Saharan Africa. By the 1970s, however, the relatively high standard of living enjoyed by Ghanaians in the early post-independence period (1957-1964) had been eroded by inappropriate development policies and strategies. Industrial development based on import substitution and protected by tariff and other barriers resulted in an industrial structure dominated by large-scale, capital-intensive and inefficient state-owned enterprises which were also moribund. Cocoa, the backbone of the economy, was so heavily taxed that Ghana's share of world production fell from 25% in 1974/5 to 9% ten years later.

By the early 1980s, plunging terms of trade, a drought and the forced repatriation from Nigeria of up to a million Ghanaians brought the economy to virtual collapse. The concatenation of these shocks was unique, but the terms of trade remains a long-term concern. The price of exports fell over 42% relative to import prices from 1980-86, and Ghana fell to a distant third among world cocoa producers.

In addition to these problems, severe power cuts caused Kaiser's Valco aluminum smelter to close for 18 months; this, along with a cutoff of imported inputs, left most industry operating at only about 10-15% of capacity. At the same time, extreme shortages of fuel, tires and spare parts combined with dilapidated road and rail systems to slow internal transport to a crawl. Foreign reserves were nearly exhausted, large payment arrears accumulated, and severe food shortages were eased only through foreign emergency food aid. These conditions set the stage for Ghana's Economic Recovery Program.

2.2.2 The Economic Recovery Program

In coordination with the International Monetary Fund (IMF), the Government of Ghana (GOG) in 1983 launched one of Africa's most stringent economic recovery programs (ERP). Ghana's ERP has been supported by three IMF stand-bys, nearly US$ 1.1 billion in commitments from the World Bank (IBRD), and further aid from many multilateral and bilateral donors. Reforms to date include liberalizing the foreign exchange and trade systems, increasing producer prices for cocoa and other cash crops, eliminating most price and distribution controls, and rationalizing the public investment program which has in turn greatly

improved physical infrastructure . Appropriate fiscal and monetary policies eliminated the budget's fiscal deficit, reduced inflation and helped reduce the current account deficit, while donor inflows created an overall surplus in the balance of payments and virtually eliminated external payment arrears. These policy changes and aid funds resulted in an annual GDP growth rate of about 6% per year.

2.2.3 Constraints to Medium Term Growth

Economic reforms under the ERP have been largely successful in realigning relative prices, improving fiscal and monetary prudence, enhancing the private sector investment climate, and initiating rehabilitation of key infrastructure. Many constraints, however, remain to establishing sustained growth, increasing investment, and achieving a positive balance of payments position. These exist because reforms were either not undertaken, were unsuccessful, or were not fully implemented and require additional action to enhance their effectiveness and ensure their sustainability.

Inflation. Inflation has risen after a period of decline during the early periods of the ERP, although levels are far below those at the start of the ERP. Major causes are the high growth rate in money supply, rising costs of non-agricultural domestic goods and services (cost-push inflation), and wage pressures. A somewhat overvalued exchange rate is also a factor, although it's magnitude has decreased: At the time of PREP design, the price of the cedi on the parallel market exceeded the auction price by only 11%, vs. a differential of 26% in July 1988 and 55% in September 1986.

Financial System and Fiscal Regime. Constraints in the financial system and fiscal regime hinder increased domestic resource mobilization to support investment. National, especially private savings and investment rates, are lower than average for sub-Saharan Africa and are grossly inadequate to provide the impetus for sustainable growth. As a percent of GDP, private investment never reached 5% in the last few years and the share of private savings, while larger than investment, also remained below 5%. Moreover, the investment code encourages capital intensive investment by setting a high minimum level of foreign exchange input by foreign investors, and by not including minimum local employment provisions for foreign investment.

Low public confidence, structural constraints and policy deficiencies in the financial system limit deposit mobilization and credit expansion. Credit supply is inadequate because of non-performing loans, managerial and institutional deficiencies in the financial sector, too many bad portfolios, large uninvested excess reserves held by banks, and an anti-inflation policy of slow total credit growth. Non-performing loans are a particularly significant factor, constraining resurgence of the private sector and industrial activity. Credit and liquidity management within the framework of monetary policy will require greater market orientation instead of setting administrative credit ceilings for individual banks, and the financial sector reform program will require greater acceleration.

The Tax System. The efficiency and equity of Ghana's tax system needs to be improved to make protection more even across sectors, industries and products, and to provide incentives for export growth. Sales tax rates on domestically produced and imported excisable commodities should in theory be equalized. Though improved, tax administration is still weak and tax revenue growth is slowing while major products and services, including utilities, remain subsidized. Public expenditure control, monitoring and the budgetary process need to be improved, and recurrent budgetary expenditures, especially on public sector wages, reduced.

Balance of Payments. Ghana ran a deficit on current accounts from 1984 to 1986. In 1988, exports exceeded imports by one third, but because of an inflow of official transfers the current account deficit was less than the trade deficit (about 10% of exports). The current account deficit was offset by capital inflows, mostly in the form of long-term loans. The future of official transfers and long-term loans is problematical, especially as one looks beyond the next three to five years.

Growth in imports, especially of productive inputs, is inadequate to generate the expected production response for domestic consumption and exports due to the high import content of domestic production. Export earnings are still dominated by cocoa and a few traditional export commodities with little value added, while the nascent growth of non-traditional exports is constrained by Ghana's inadequate marketing infrastructure and support services. Trade with other developing markets, especially in the sub-region, needs to be significantly promoted to use Ghana's comparative advantage and improved economic climate.

The debt service ratio stood at 57% in 1989. This is relatively high, and the structure of foreign debt and debt repayment poses severe constraints on foreign resources. This is especially true in times of falling commodity prices, in spite of recent debt writeoffs by several Western donors including the U.S.

Public Sector Efficiency. Civil service restructuring to minimize bureaucratic procedures and improve efficiency should be accelerated, as should the pace of the state enterprise reform program to improve public finance and encourage the private sector. Economic management, including policy analysis, associated data needs and program implementation, must also be strengthened. Weak program implementation and economic management pose a problem for the continued success of the Economic Recovery Program (ERP) as a whole and the medium term reform program in particular, especially now that the basic macroeconomic framework has been institutionalized.

Private Sector Constraints. Private sector response to the ERP has been hesitant and the "enabling environment" for private sector investment needs to be improved to make Ghana more competitive. The investment approval and business establishment process is complex, slow and non-transparent, and the Ghana Investment Centre emphasizes monitoring and policing roles instead of promotional and other investor-support

31

roles. Most private sector institutions are weak, and representational associations can neither undertake policy analysis, nor dialogue with the GOG, nor develop members' interests.

Agricultural Sector Constraints. The productivity of Ghanaian small farmers is constrained by the limited availability and use of improved technology, weak agricultural services, underdeveloped institutions, inadequate infrastructure and limited access to credit. Of critical importance is a need to develop efficient input delivery, distribution and marketing systems. A restrictive policy on food exports, especially cereals, also limits incentives for increased production given currently limited domestic demand.

Industrial Sector Constraints. Export growth in the industrial sector is constrained by obsolete equipment, inadequate financial resources, low product quality and weak export marketing. Linkages with the domestic resource base are also weak, and thus the share of import and capital components in production costs are still high. This may change, however, in response to changes in the value of the cedi over the last few years.

Economic and Social Infrastructure. Despite large public investment in rehabilitating the infrastructural base, most of Ghana's key economic and social infrastructure still needs to be rehabilitated, improved and expanded. Growth of efficient economic activity, human resource development, and mobilization programs to improve the supply of skilled labor, as well as mitigation of the adverse impacts of the Economic Recovery Program (ERP), are constrained by slow rehabilitation of social infrastructure.

External Constraints. Critical external constraints to medium-term growth, via impact on balance of payments, include deteriorating terms of external trade (due mainly to the steep fall in world cocoa and gold prices), high interest rates, high debt service obligations, and rising crude oil prices.

2.2.4 Future Prospects

The future direction of Ghana's economy depends on the GOG's ability to sustain its present reform program as it moves from the medium-term stabilization, rehabilitation and liberalization phases of the ERP into the ERP's long-term sustainable growth phase. Growth projections are always conditioned on a number of factors, but a common projection is for Ghana's GDP to grow at 5% per year or 2% per year on a per capita basis. A scheduled decline in debt service over the next several years would add to resources available for development and improvement in the standard of living.

Attaining sustained economic recovery will take years of continued reform, but many Ghanaians are impatient with the time required to restructure and rehabilitate the economy and restore prosperity. So far, however, and in spite of growing domestic political and economic demands

and sharply deteriorating external conditions, the GOG has resisted most pressure to rescind or significantly modify the ERP. Although a form of participatory local government is beginning to emerge, improved information flow on the ERP from the GOG to the populace and increased interaction with the private sector will be key factors to enhancing the sustainability of the ERP.

2.3 EDUCATION SECTOR FRAMEWORK

2.3.1 Sector Overview

Ghana has historically been a strong supporter of education and had one of the best education systems in Anglophone Africa until the mid-1970's. Education spending subsequently fell from 6.4% of gross domestic product (GDP) in 1976 to 3.5% in the late 1970's, bottomed out at 1.5% in 1983, and recovered to 3.5% in 1987. The World Bank (IBRD) projects a slow increase in education allocation, up to 4.3% of GDP by 1992, but this increase is uncertain. Achievement of a 4.3% level, however, would make education allocation as a proportion of GDP comparable to most other low-medium income Sub-Saharan countries. As a percentage of GOG recurrent expenditures, education's share rose from 20-32%, 1982-1987/88, and to about 38% in 1989.

Substantial linkages exist between macroeconomic and education sector policies and problems in Ghana. Most important are Economic Recovery Program (ERP)-related constraints on total government size. Because total GOG recurrent expenditures must remain below revenues, this limits how fast government can increase real spending on education. Because the GOG has already increased the share of GDP it receives as current revenue, it would be counterproductive to increase financial allocations through rapid tax increases. Moreover, other sectors (e.g., agriculture, transportation, health, communications) also have strong cases for increased spending.

The speed at which the GOG can increase real spending on education is much slower than can be justified by expected returns. PREP, by significantly increasing real short term spending and addressing significant policy and institutional constraints, will achieve those returns much sooner than would otherwise be possible. PREP will thus support Ghana's economic recovery in the short term, strengthen long-term economic growth, and by accelerating Ghana's investment in human capital help lay a firm foundation upon which Ghana's future economic development can build.

2.3.2 Sector Description

Education Structure. First Cycle or Basic Education (Grades 1-9) in Ghana begins with primary school (Grades 1-6). Primary school by policy is both mandatory and free, although minimal book fees (US 35 cents/term) begin in Grade 3. About 1.66 million children, or 70% of those eligible, attend the nation's 9,368 primary schools. Enrollment

23

is significantly lower, however, in four of Ghana's ten regions (Table 2-1). Primary children are taught by about 63,000 teachers (25.4:1 student:teacher ratio), 40% of whom are untrained and have less than a tenth grade education. Primary schools suffer from frequent teacher and headmaster absenteeism, an almost non-functioning inspection/supervision service, and a near absence of textbooks and basic learning materials in the classroom. Only about 2.5% of Ministry of Education (MOE) total recurrent expenditures went to school supplies in 1988. Primary level education, moreover, has not yet benefited significantly from the GOG education reform program.

The newly formed Junior Secondary Schools (JSS), Grades 7-9, educate 610,000 students or about 50% of Ghana's eligible children. There are about 5,169 JSS schools nationwide. JSS schools have significantly benefited from EDSAC activities. Most have full complements of texts and basic learning materials, and about 85% of the 40,500 JSS teachers (a 15:1 ratio) are qualified and have received recent in-service training using the new curriculum. Because of poor quality primary education, however, student achievement levels in most JSS schools are low.

Second Cycle or Senior Secondary Schools (SSSs), Grades 10-15, are in the process of compression into three grade levels (Grades 10-12). About 7,800 teachers educate 154,000 students (a 19.7:1 ratio), or 35% of eligible children, in Ghana's Senior Secondary Schools. There are 254 schools nationwide, with plans to convert 82 JSS schools to SSS and construct 22 new schools. Third Cycle or tertiary education consists of universities at Legon, Cape Coast and Kumasi, 38 Teacher Training Colleges (TTCs), and about 30 sector-specific training colleges. There are currently about 28,000 students in third cycle institutions.

Role of Religious and Private Institutions. Religious educational institutions play a significant role in Ghana, educating 35% of all students and 44% of primary school students. The number of schools has remained relatively stable in proportion to growth of the primary school age population in the last few years. There are eleven major religious denominations with established primary schools distributed throughout Ghana. Predominant institutions are Roman Catholic, with about 1500 schools concentrated in the North, Upper West, East and Volta Regions; Methodist, with about 900 schools concentrated in the Central Region; and Presbyterian, with about 800 schools concentrated in the East Region.

While some religious schools are also private and receive no GOG aid, most adhere to MOE policies and curricula and receive GOG aid in the form of teacher salaries and textbooks. Although teachers are supplied and paid by the MOE, they are sometimes selected by administrators of religious schools and are often provided benefits by the religious organizations in addition to standard MOE emoluments.

Non-religious private sector educational institutions educate only 5% of all students and 4% of primary students (Table 2-1). The number of these institutions has also remained stable in proportion to growth of the primary school age population in recent years. Most private schools are concentrated in larger cities, especially Accra. While required to follow the curricular and policies of the MOE, they receive no public assistance for salaries or materials. Private schools have traditionally

24

TABLE 2-1

PRIVATE SECTOR ENROLLMENTS AND
ACCESS TO PRIMARY SCHOOL BY REGION
(1987/1988 School Year)

Region	Calculated Radius of Primary School Catchment Area (km)	Private Sector Enrollments as % of Total	Grade One Enrollment as % of 6 Yr. Olds
Brong Ahafo	3.14	1.3	79.2
East	1.90	1.4	79.1
Central	1.76	1.4	77.9
West	2.65	0.5	77.0
Volta	2.27	0.5	73.1
Ashanti	2.20	4.5	72.3
NATIONAL MEAN	2.75	3.7	69.1
North	4.92	0.0	56.5
Greater Accra	1.25	18.9	56.2
Upper West	4.83	0.0	52.5
Upper East	3.10	0.0	46.2

Source: Ministry of Education. Planning, Budget, Monitoring and Evaluation Division. Pandit and Asiamah Report, Table VII.

provided high quality education at the primary level for the urban elite, and inferior post-primary education for those children, often from poor families, unable to gain entrance into the highly subsidized, higher quality GOG secondary schools. In light of this, the GOG is wary of private education. Except for regulations enforcing standards and setting maximum fee levels, however, no restrictions are imposed on private education providers.

Role of Public Institutions. As in most developing countries, the public sector is the main vehicle for investment in human capital in Ghana. The public sector provides teachers and funds basic materials for 95% of all students and 97% of primary students in the country, and non-religious public institutions directly educate 60% of all students and 53% of Ghana's primary students. The key institutional player in this sector is the Ministry of Education (MOE) which is the lead implementing agency for the Primary Education Program (PREP) on behalf of the GOG.

The MOE, discussed in detail in Annex E and Sct. 9.2.3, is responsible for delivery of education services to all Ghanaians. The MOE sets policy, implements programs through the Ghana Education Service (GES) and universities, and monitors and evaluates Ghana's formal education system. GOG educational policies are formulated through the interaction of the Provisional National Defence Council (PNDC), cabinet level civil servants and public opinion, and the National Committee on School Reforms plays an advisory role in implementing policy.

25

The Secretary for Education, a cabinet-level political appointee, is assisted by four Deputy Secretaries for School Education (basic and secondary), Higher Education, Culture, and Non-formal Education. Each region of Ghana has a regional office run by a director responsible for implementing MOE policy. Ghana's ten regions are subdivided into 110 District Education Offices (DEOs) and run by assistant directors that report to the regional offices. As part of MOE plans to decentralize authority, assistant directors are being upgraded to the status of director, regional offices will play a coordinating role, and 700 supervisory positions and an additional 700 monitoring assistants will be created to improve supervision and inspection efficiency.

Role of District Assemblies and the Community. In association with the Economic Recovery Program (ERP) and GOG decentralization efforts, 110 districts and District Assemblies (DAs) were created in Ghana in 1988. One- third of DA members are nominated and two-thirds are elected. There is also a high level civil servant appointed as DA Treasurer who acts as a representative for the treasury. DA elections were complete by early 1989, and most DAs are now functional with subcommittees established. Many teachers have been elected to the DAs, a factor which is likely to generate political support and prove beneficial to the education system.

DA and community responsibilities in education have been established by a policy directive of the PNDC. Besides receiving grants-in-aid from the central government, DAs have extensive revenue-raising authority. While the GOG and donors have assisted in constructing school "pavilions" in disadvantaged areas, DAs have responsibility for the construction and rehabilitation of primary and Junior Secondary Schools (JSSs). Community involvement consists largely of fund-raising and contributions in kind, including school construction, renovation and furnishing. Increased involvement is expected at the JSS level, including provision of artisans and materials for practically-oriented portions of the curricula.

2.3.3 Sector Constraints

There remain significant constraints to improving the quality, accessibility, equitability and financial sustainability of Ghana's public education system. The GOG is particularly concerned about the quality of primary education. In many rural areas, especially in the north, most children leaving school after six years cannot read and in many schools throughout Ghana reading abilities are well below grade level. Moreover, basic language and mathematics proficiency among entering JSS students is so low as to jeopardize the ability of these children to benefit from the new JSS program. The decline in education quality during the 1970's is reflected by the fact that the level of proficiency at basic skills is considerably lower among those between the ages 9-25 than in those over 26 years old.

As part of the preliminary design process for the Primary Education Program (PREP), and to establish an analytical basis for developing USAID/Ghana's Country Program Strategic Plan, USAID undertook a thorough Ghana Education Sector Review Update (the "Sector Update"). Completed in

November 1989 with assistance from A.I.D.'s Regional Economic Development Services Office for West and Central Africa (REDSO/WCA) and the A.I.D. Africa Bureau's Office of Technical Resources for Education and Human Resources, this Sector Update was attached to the preliminary PREP design document. Its principal conclusions regarding constraints to improving the Ghana education sector are summarized below.

Economic and Financial Constraints. Two main economic and financial constraints to improving Ghana's education sector were identified in the Sector Update. The first of these constraints are limits to GOG allocation to the education sector. Growth in the Ghanaian economy has been about 5.0%/yr in real terms since 1984, and the GOG revenue record since 1986 has been good. As a percent of GNP (US$ 3.44 billion in 1988), revenue increased from 5.5% to 14% (1983-6) before stabilizing. While it will be slow, revenue as a proportion of GNP is expected to rise again in the near term. With continued good performance under the ERP, that rise should continue beyond the end of the Program and therefore permit higher levels of real spending on education, assuming no drop in the education percentage of GOG allocations. Given that the GOG has always placed a high priority on education, it is unlikely that the percentage of GDP allocated to public education would drop significantly during PREP implementation. Macroeconomic constraints described in Section 2.0, however, make it unlikely that that percentage will increase significantly in spite of World Bank (IBRD) estimates that it could grow to 4.3% by 1992. PREP support of continued economic growth and the ERP will contribute to an easing of GOG economic limits to education sector allocations.

The second major financial constraint to improving Ghana's education sector, which has eased somewhat in the last few years, involves MOE resource allocation priorities. MOE allotments have been historically overweighted towards higher education, and expenditures in excess of allotments for tertiary education at the expense of basic education also occurs. The basic education share of MOE's recurrent budget, about 44% in 1984, increased significantly under EDSAC and is expected to reach a level of 63% by the end of the EDSAC II program in 1993. EDSAC II conditionality requires maintenance of basic education's share of the recurrent education budget be at least at 1989 levels.

PREP conditionality is complementary and parallel to this. The Sector Update found that recurrent expenditures for primary education increased from about 40% to 42% from 1987-1989, and IBRD estimates that the budget for primary education through the first half of 1993 would be about 43% (Table 2-2). These estimates will improve significantly during the first year of PREP as the MOE disaggregates primary education budget and expenditure data.

PREP strengthens reordering of these MOE allocation priorities through conditionality on 1) maintaining the recurrent primary education budget at its 1989 level and 2) increasing expenditures to a level consistent with that budget. The actual level of the recurrent primary education budget in 1989 has been estimated at about 32-42% of the MOE's overall recurrent budget; the actual level will be ascertained during the first year of PREP implementation after disaggregation of MOE primary education budget and expenditure data. PREP thus sets a floor on the proportion of

TABLE 2-2

NUMBER OF STUDENTS, PERCENTAGE ENROLLMENT
AND PERCENTAGE OF BUDGET BY EDUCATION LEVEL
(1992-93 School Year Projection)

Level	Number of Students	% of Enrollment	% of Budget
Primary:	1,901,800	67.7	41.6
JSS:	609,100	21.7	18.6
SSS:	244,000	8.7	19.6
Tertiary:	52,800	1.9	20.2
TOTAL	2,807,700	100.0	100.0

Source: Based on 1990 IBRD estimates. SSS and Tertiary budget estimates include scholarship costs.

MOE recurrent expenditures going to primary education. The Program also indirectly affects these proportions by increasing the size and improving the quality of the primary education system, which should in turn increase budget allocations as the significance of the education level increases. In addition, system improvements retained by the MOE after the life of the Program (LOP) should increase primary education's leverage in the annual GOG budget approval process.

A more persistent financial problem is a major imbalance in allocation of resources between personnel and non-personnel costs. Employee emoluments comprised about 95% of Ghana Education Service (GES) expenditures in 1987, and an estimated 94-97% of the total MOE recurrent budget went to emoluments in 1988 vs. 3-6% (excluding aid inflows) for all other non-personnel costs combined. This has resulted in a pervasive shortage of basic teaching materials in the primary schools, as consistently observed during field reconnaissance missions. Allocation of system expenditures has improved under EDSAC, and IBRD estimates that by 1993 non-salary expenditures will increase to about 25% of total recurrent spending and materials and supplies alone to about 8%. PREP will support this by requiring an increase in the amount of the MOE's primary education budget expended on teaching materials to at least 6% by the end of the GOG 1993 fiscal year.

A recent IBRD study on improving the quality of education found that the greatest returns on investment in developing countries occurred where funds were spent for closely related school inputs such as texts, exercise books, instructional materials, equipment and furniture. The lack of such materials in Ghana's primary schools is an immediate and priority concern. Because of economic limits to GOG allocation to the

education sector, however, improved MOE allocation of resources to basic pedagogical materials can only be sustained in two ways: through improved system efficiency, and/or through increased revenue support.

Cost reduction is a key theme of Ghana's education reform program. Major cost reduction is occurring through elimination of redundant teaching and non-teaching staff (8500 staff in second-cycle schools and 800 in universities have already been retrenched). The GOG has mandated a freeze on the number of teaching posts, but implementation of these staffing restrictions has been problematic. MOE also reduces costs through more intensive use of remaining staff and facilities and by reducing the proportion of boarding to day students in secondary schools.

Cost recovery as a potential to reduce economic constraints to the public education system has been strongly endorsed by IBRD through EDSAC, wherever appropriate and feasible. Significant progress has been made, although only about 1% of the total MOE recurrent budget is currently recovered. The public recurrent cost burden from public education has been reduced by increasing fees for books and food where they already existed and introducing them where they did not. While occurring at all levels, these new fees fall primarily on students at higher education levels. This is an attempt to address the regressive system of transfers that characterized the sector prior to the reform program. At tertiary education levels, food subsidies have been withdrawn, remaining catering facilities are fully self-financing, and converting lodging to self-financing hostels is being considered. The GOG withdrew some lodging costs from it's calculations of university subvention, but has not actually instructed universities to stop subsidizing lodging.

Exercise books for students at all levels are sold, and textbook user fees have increased at the secondary level and are expected to further increase to reach full cost recovery. Revenues go into a revolving fund, but book fees, last adjusted in 1987, are probably not high enough to assure a continued supply on a financially self-sustainable basis. A project to create a bulk purchasing system is being implemented, and a loan scheme to help tertiary-level students pay for food, books and transportation has been announced. This scheme represents a continued subsidy since the interest charged is well below market rates, but it is nonetheless an important step toward greater cost sharing.

The Sector Update found that although there may be a case for raising university tuition and reducing student loan subsidies over time, little potential exists to significantly increase cost-recovery at the basic education level without significant adverse impact on access and equity. The impact of fees on family welfare and access of the poor to education is a major issue that is being monitored through the Ghana Living Standards Survey (GLSS).

Another way to increase revenues is through cost-sharing of employee emoluments. Community contributions to the cost of education are significant, however, including provision of school buildings, school furnishings, and payment of book fees. There is, therefore, widespread opinion that emolument cost-sharing would seriously affect enrollment and disproportionately exacerbate current equity imbalances, especially in poorer areas of Ghana.

Another potential source of revenue is through additional contributions by the District Assemblies (DAs). Because of increasing GOG reliance on the DAs to take greater responsibility for district development, and a trend towards increased DA funding for development activities within the districts, it is conceivable that in the future DAs may increase the current level of their direct contributions to district education. Given the current nascent developmental stage of the DAs, however, this is an issue more appropriately left to the GOG at this time.

The GOG has produced a plan of action for university development based on a study of cost savings in the staffing, programs and facilities of Ghana's three universities and other tertiary institutions. Key features of the plan, issued two years late, include new staffing and operational norms, gradual departure from the pattern of university "residentiality," and consolidation of nonviable programs and departments.

Another way to improve resource allocation to non-personnel costs is via an increase in student:teacher ratios. The mean primary level ratio for African countries similar to Ghana was 30:1 in 1983, and it is widely accepted that the benefits that would accrue from reducing emoluments by increasing ratios, given greater availability of funds for school materials, would far offset any marginal adverse impact on teaching quality resulting from a significant ratio increase.

While IBRD and this Program support a significant increase in the primary school student:teacher ratio in general, identifying the best way of attaining it is complicated by uncertainty regarding how future student/teacher supply and demand will change. For example, hypothetically, given a 3%/yr population growth rate in the primary school age population and an increase in overall primary enrollment in five years from 70-85%, the primary school student:teacher ratio with no further retrenchment (i.e., 63,000 teachers) would be about 36:1 at the end of the Program.

The MOE recognizes this, and is working towards increasing the primary school ratio from the current 25:1 to a more financially reasonable level of 40:1 over the mid term. The purpose of current retrenchment efforts is not to increase ratios and reduce emolument costs, however, but rather to replace unqualified with qualified teachers. The MOE expects to achieve this significant ratio increase in two ways. The first is by "growing into" a more appropriate ratio as the school age population and percentage enrollments increase, and the second is through consolidation of schools in areas where there is significant overlap in school service areas. PREP supports these efforts through provision of short-term technical assistance.

<u>Policy Constraints</u>. Ghana has a relatively strong and rationalized policy framework for education in general, but there are key areas where stated or <u>de facto</u> policies are lacking or where existing policies need refinement. The most important of those specific to primary education are: 1) a policy affirming an adequate revenue base for primary education in relation to overall MOE financial resources; 2) a policy for a proportional increase in primary school materials expenditures; and 3) a policy on primary school teacher qualifications. The most important policies for public education in general, but which would also

35

significantly affect primary education, are: 1) an MOE decentralization policy; 2) an employee incentives policy; 3) a system cost-recovery policy; and 4) a system-wide equity improvement policy.

Institutional Constraints. Several institutional factors significantly constrain development of a high quality primary education system in Ghana. IBRD believes that the key, overarching issue likely to determine the ultimate success or failure of Ghana's education reform program is the level of GES staffing. Unless staffing levels are brought under control, funds will not be available to improve the quality of the educational system or expand its coverage. Because of this, adherance to a policy of zero growth is a condition of EDSAC II tranche release each year of the credit period.

While a solid human resource base exists at MOE, another overriding constraint to improving system quality is a lack of employee incentives and accountability. Like all GOG ministries, the MOE suffered a severe exodus of trained personnel during the late 1970s and early 1980s. It was also victimized by a series of massive frauds involving the GES, and as a result a number of officials were fired or imprisoned. Significant improvements have occurred since EDSAC, but because of the low salary structure and other reasons there remain problems with morale and underperformance among both teachers and managers.

Other key constraints include: 1) overcentralization, resulting in slow decision-making, lack of field level input, low accountability at the field level, and a generally lethargic system; 2) shortage of personnel in key administrative units, especially in the field; 3) poor MOE communications and transportation systems; 4) untrained and unqualified personnel, especially teachers, headmasters, supervisors and inspectors; 5) lack of comprehensive training plans; 6) insufficient management capacity at both central and field levels; 7) weak planning, evaluation, monitoring and reporting capabilities, especially data collection and processing; and 8) significant shortages of basic equipment and supplies.

Many of these institutional constraints have eased significantly since inception of EDSAC in 1986. The MOE has instituted strict financial and administrative accountability procedures, the system has been streamlined and is becoming increasingly decentralized, and teacher training colleges, in-service training and the inspectorate are all improving. Technical assistance and training in planning, programming, budgeting, monitoring and evaluation has also been provided under EDSAC. Planning and budgeting functions are gradually being merged into one division under the Secretary of Education. Staff are being recruited and trained to handle the expanded and more integrated MOE functions. The inspectorate is being strengthened through intensified training and problems of recruitment have been partially addressed by upgrading the circuit (sub-district) level officer to the level of supervisor.

A central objective of PREP is to contribute to this process of institutional reform. PREP will strengthen EDSAC conditionality on budget priorities and training, and leverage additional institutional reform related to training and decentralization.

Social Constraints. The most pervasive social constraint to primary education in Ghana is poverty. Only 45% of the poorest 10%, and 58% of the poorest 30% of Ghanaian children are in school. About 87% of the heads of poor families are self-employed, mostly in the subsistence agricultural sector, and in extreme cases parents cannot afford uniforms or the US 35 cents/term for primary school textbooks. Pressure on parents to keep children, particularly girls, out of school to help with household or income-generating activities is thus severe. Successful relief of the poverty constraint will ultimately require strong long-term economic growth, the key developmental objective in Ghana and a key focus of the USAID/Ghana program.

Traditional, ethnic and religious values, as well as geographical factors, are major constraints to sector equitability. This is especially true in the North, Upper East and Upper West regions of Ghana, where primary school enrollment rates in general and among girls particularly are low. Other significant social constraints include 1) the low prestige of the teaching profession; 2) general illiteracy, resulting in a lack of reinforcement at home where the perceived value of even basic education is low; 3) a lack of role models for students, especially for girls and rural children; and 4) lack of incentive to do well in school.

Social constraints to education access and equity in Ghana are often conflicting, geographically pervasive, and culturally ingrained. To address them therefore requires an approach that is both flexible and adaptable, and recognition that expectations must be realistic. Since a strategy to relieve social constraints is most appropriately developed by and for Ghanaians themselves, PREP's approach to addressing them is to leverage MOE development of an equity improvement policy and Equity Improvement Program (EIP) (Sct. 4.4.2).

2.4 THE GOG EDUCATION REFORM PROGRAM AND DONOR ASSISTANCE

2.4.1 The GOG Education Reform Program

The need to reform Ghana's public education system was recognized as early as 1973. However, due to economic constraints facing Ghana in the late 1970s, a lack of political will, and bureaucratic bottlenecks, however, the GOG education reform program introduced in 1974 never went beyond the experimental stage. By 1983, the education system had sunk to such low levels that it became necessary for a serious national attempt to salvage it. The exodus of significant numbers of trained and highly qualified teachers had led to recruitment of untrained primary and middle school teachers. Basic education instruction was ineffective. Most children and teachers were without text books and stationery. Buildings, furniture and equipment had deteriorated. Enrollment levels had declined to the extent that two thirds of the adult population was illiterate. Dropout rates were rising. The education sector was starved of the inputs needed to raise quality and expand education and the system was virtually devoid of the data and statistics needed for vital planning.

Under the 1983 Economic Recovery Program (ERP), the Provisional National Defence Council (PNDC) Government took steps to arrest education system decline by injecting urgently needed materials such as stationery items and books into the system. In October 1986, the PNDC Secretary for Education and Culture announced a decision to embark on a comprehensive program of educational reform designed to address the numerous problems causing rapid deterioration and stagnation of the system. This was based on the GOG's conviction that Ghana's "economic growth would depend on the quick and effective training of a large number of people who would support agricultural productivity, promote self-employment and small scale industry, support positive growth of the environment, reduce the level of widespread poverty and undernutrition, and promote generally an awareness and desire for self-reliant and self-sustaining national development." A second major objective of the GOG Education Reform Program was to "ensure that the system would be capable of expanding and sustaining itself on national resources after the adjustment period."

Major features of the GOG education reform program included: 1) changing the structure of the system from 17 to 12 years of pre-university schooling in order to "release more resources to improve both access and quality of education, especially at the basic level;" 2) improving quality, efficiency and relevance of education through development of a more functional and relevant curriculum for basic and secondary education and through the "rationalization" of tertiary education; 3) increasing cost-effectiveness and cost-recovery through effective use of funds voted for education; and 4) involving parents and communities in funding education to support the GOG's objective of providing access to education for more children.

By September 1987, after much debate, the MOE launched the first phase of the reform program. This was supported by a tremendous amount of work by various GOG personnel, teachers, National Service personnel, parents and the community at large. Since then, in spite of numerous problems and pressures, most major actions outlined under the reform program for 1987-89 have been carried out. The program has made significant progress in improving pedagogical effectiveness, making education financing more efficient and equitable, and ensuring that the reformed system can be sustained using national resources and assuming modest economic growth. Pre-university education is being reduced from 17 to 12 years, the primary school curriculum was revised and a new Junior Secondary School (JSS) curriculum developed, school-based supervision was strengthened, and textbooks and instructional materials were reintroduced into a system formerly starved of even the most basic classroom resources. New texts and teacher's guides were also developed for Grades 1-9, and a range of complementary materials were delivered.

The teacher training program was also reformed and strengthened. Teacher Training College (TTC) curricula were overhauled, the modular training program was upgraded, in-service training was intensified, and more than 25,000 JSS teachers, JSS heads, primary school heads, circuit officers and TTC tutors have attended short courses. These are being followed up with specialized training courses for JSS science and technical teachers.

Significant financial impact has also occurred. Subsidies were reduced and fees increased at almost all levels, cost savings were realized in production of textbooks, and allocation of financial resources has improved. The World Bank (IBRD) estimates that education's share of the development budget increased from 3-6% (1984/5-1987/8), and its share of the total recurrent budget excluding interest payments and transfers grew from 27-33% (1984/5-1987/8). Basic education's share of the MOE budget grew from an estimated 44-65% (1984-1988), and allocations to non-salary items as a percentage of the recurrent budget grew from less than 12% to 22% (1986-1989).

The people-level impact of these successes are significant. IBRD data indicate that national primary school enrollment has increased from 65-72% since 1987 (vs. a Sub-Saharan African average of 70%); Grade 1 enrollment grew by 11.8% and all primary enrollment by 5.3% since 1988; and Grade 7 enrollments were 24% higher than in 1986/7. Moreover, significant equity improvement has also occurred. JSS enrollments in more deprived regions of Ghana, for example, grew considerably faster than in more affluent areas. There was also a modest increase in the already high proportion of girls enrolled at primary and JSS levels, with girls representing 44.5% and 41.3% of enrollments, respectively. As noted by IBRD, this is particularly impressive given the enrollment stagnation and regional disparities existing prior to implementation of the reform program.

Planning and coordination for implementation of the program was facilitated by setting up the National Planning Committee for the School Reforms (NPCSR), and formation of District Implementation Committees to liaise between the NPCSR and local communities. To achieve effective implementation and monitoring of the reforms at the school level, plans are far advanced to strengthen District Education Offices and further decentralize supervision of teaching and learning to the circuit level. Personnel and facilities for monitoring are also being developed at the circuit level for a more thorough tracking of school level reforms.

Success with the education reform program has also renewed awareness and interest in schools across the country, especially in rural communities. This has in turn led to increased community participation and community willingness to contribute more towards construction and maintenance of school facilities. With renewed community interest, improvement of school supplies, orientation of teachers and the GOG's determination to reform and improve the education system, there has been a marked improvement in school attendance and enrollment and the high dropout rate has begun to drop. Also noteworthy is the fact that the reform program has been carried out almost entirely by Ghanaians, with only minimal external technical assistance.

2.4.2 Donor Assistance

EDSAC I. The World Bank (IBRD) is the principal donor to the education sector in Ghana, and to date all major donor assistance to education has either been subsumed under or parallel to the IBRD Education Sector Adjustment Credit (EDSAC). IBRD involvement in Ghana's education system dates to 1985, when it approved a US$ 5.0 million

education credit for primary and JSS materials. It simultaneously began work on EDSAC, the centerpiece of it's support program, designed to increase access to basic education, improve educational relevance, and increase the equity and cost-effectiveness of the public education system. Through the International Development Association (IDA), IBRD and five other donors provided the supplemental budgetary support needed to launch the GOG reform program at the primary and JSS levels during the first three of years of EDSAC implementation. The total value of the EDSAC I package, including other donor support, is approximately US$ 56.0 million.

Implemented with minimal non-residential technical assistance, EDSAC I concentrated on basic education, on providing foreign exchange for necessary sector imports, and on general budgetary support conditional on structural reforms in spending (Sct. 4.2.3). The bulk of EDSAC funds was used for the JSS program. Pre-university education was reduced from 17 to 12 years, a new SSS system was created to replace the traditional 5-7 year secondary school, and a 4-6 year "Middle School" was replaced by the JSS. This involved limited construction and renovation, and large scale programs in curriculum and materials development, text and materials production and distribution, and teacher training.

While EDSAC I has been considered a major success in achieving targeted objectives, implementation has been problematical in three areas. First, the GOG has had difficulty holding down the number of GES staff despite the best efforts of the MOE. Second, implementation of some portions of EDSAC I have been delayed, reflecting the fact that there are not enough staff to handle the very heavy workload imposed by the reform program. Finally, eliminating university lodging subsidies has proven difficult.

Several donors participated in EDSAC I. All, with the exception of the Canadians who provided C$ 4.5 million for paper and curricular materials, are integrally tied to EDSAC. The Overseas Development Administration (ODA) and British Council began assisting the 38 TTC's and JSS reforms in 1989 with about 2.0 million pounds sterling for TA and commodities. The Norwegians and Organization of Petroleum Exporting Countries provide about US$ 4.0 million for primary and JSS school construction, including 2000 school pavilions in more inaccessible regions. The Swiss and ODA provide about US$1.6 million for JSS science equipment, and the United Nations Development Program provides about US$ 0.5 million for microcomputers and TA to the MOE planning unit. The US Peace Corps, volunteer organizations from several countries, and non-governmental organizations and religious institutions also support education through provision of teachers. In addition, USAID PL-480 Title I funds are used for rehabilitation of primary schools and PL-480 commodities are used to feed school children at about 200 primary schools in northern Ghana.

The new Program of Action to Mitigate the Social Costs of Structural Adjustment (PAMSCAD) has also had an impact on basic education. Of US$ 84.0 million pledged by donors, a portion has been earmarked for decentralized community initiative programs through District Assemblies. Eligible community projects include primary school building, renovation and repair, school feeding, and student health care.

35

EDSAC II. Because of MOE progress in education reform and a demonstrated ability to manage EDSAC I funds, IBRD will obligate an EDSAC II Program in 1990. The GOG approved the US$ 50.0 million EDSAC II program in April 1990, and formal IBRD approval is expected in June. IBRD estimates a shortfall of about US$ 26.0 million in the financing of JSS, secondary and tertiary education, and is actively assisting the GOG to find donors to supplement EDSAC II in this sum. The US$ 35.0 million PREP assistance will fill the gap in primary education, with EDSAC funds continuing to assist JSS and higher education levels.

EdSAC II is designed to support the ongoing education sector reform program by covering the second three years of the program and extending it to include reform of SSS and adjustment of university education. Although originally intended to focus at the SSS level, it was expanded to provide assistance for a range of additional measures to strengthen the quality and increase the efficiency of primary education. This is because, as noted by IBRD, the "ultimate success of the entire reform program will depend to a large extent on the quality of the education provided, and particularly in basic education, since this is the only schooling that a large number of Ghanaian children will ever get and since achievement at higher levels is built upon this foundation."

EDSAC II will extend reforms to the SSS level, reduce the length of the cycle, introduce a more practical curriculum, and replenish basic materials and supplies necessary for effective system operation. It will also consolidate reforms at the basic education level so that primary and JSS leavers acquire the cognitive skills needed to take advantage of higher education. Enrollments are expected to increase, especially in the traditionally most underserved areas of Ghana, and the new curriculum is expected to provide a solid educational foundation for post-secondary education and training and preparation for a range of occupations.

The GOG, with EDSAC II support, will implement additional measures to raise teacher competence, enhance the capacity of the Inspectorate to supervise these teachers, and introduce a scheme to make schools more accountable for student performance. It will intensify the provisions of in-service teacher training and expand it to cover all primary, JSS and SSS teachers. At the primary level, where the greatest concentration of untrained and relatively uneducated teachers occurs, emphasis will be on basic subject competence and the pedagogic aspects of teaching young children. Basic education teachers will be assisted further through use of radio education; the GOG has distributed radios to all primary and JSS schools and is preparing a new series of educational broadcasts.

EDSAC II also supports reorganization of the school inspection system. School supervision at the basic education level will be performed by circuit-based supervisors rather than district officers and district-based inspectors. Supervisors will work with National Service staff in their capacity as monitors of the reform program at the circuit level. The increased accountability, in conjunction with intensified in-service training, should significantly improve the performance of these staff. EDSAC II has also proposed support for standardized student achievement testing, designed to evaluate the effectiveness of school teaching.

26

EDSAC II further supports efforts now under way to bring a greater degree of control to the public investment program (PIP) for MOE institutions. Measures include requiring MOE to prioritize all projects prior to submitting its investment program to the Ministry of Finance and Economic Planning (MFEP), and to include in that year's PIP only as many projects as it can reasonably expect to complete in one year. MFEP has also taken steps to strengthen expenditure control to ensure that contract work conforms to the investment schedule and financing assumed in the PIP.

Draft EDSAC II conditionality focuses on staff limitations, budget allocations, cost recovery, teacher training, student achievement testing, and secondary school restructuring (Sct. 4.2.3). IBRD expects that by the end of EDSAC II in 1993, structural changes in the education system will have resulted in an education system that can be financed out of national resources while allowing for substantial expansion of enrollments at all levels. An EDSAC III Program is tentatively planned for 1994.

3.0 PROGRAM DESCRIPTION

3.1 PROGRAM RATIONALE, STRATEGY AND APPROACH

3.1.1 Program Rationale

A high quality and sustainable education system is essential to attainment of broader national development objectives in Ghana. The link between education and poverty in Ghana is reflected in Ghana Living Standards Survey data, which show that the poorest Ghanaians are the least educated (Table 3-1) and that per capita expenditures increase with the education level of the head of household. Over half of all household heads in Ghana, over 80% of the poorest 10%, and over 70% of the poorest 30% have no education. Those with Senior Secondary School (SSS) or university education, conversely, do not statistically occur at all among the poorest 10-30% of Ghanaians. Ghana's education sector has improved rapidly since 1986, but significant problems remain at the primary level. If these are not resolved, the rest of the system will not achieve the improvements planned and lack of basic literacy and numeracy skills will continue to seriously constrain Ghana's economic and social development.

3.1.2 Program Strategy

USAID/Ghana's strategy for addressing these problems is to focus on the underlying reasons for education system weakness. The Primary Education Program (PREP) accomplishes this in three principal ways: 1) it supports restructuring of institutional priorities and budgets by leveraging policy and institutional reform; 2) it generates and provides local currency to fund sectoral needs in support of primary education; and 3) it provides ancillary support through projectized assistance. In addition, PREP supports Ghana's Economic Recovery Program (ERP) by increasing the investment necessary for the long-term economic growth upon which stable education sector funding depends.

3.1.3 Program Approach

It was clear early in the PREP design process that the best way to address fundamental education sector problems would be to use dollars to relieve key policy constraints through leveraging of policy and institutional reform, and to use local currency to support those reforms through provision of budgetary support for urgent short-term sectoral needs. PREP thus employs a sector cash grant disbursement mechanism since the Program focus is on sectoral reform and policy dialogue as they relate to long-term development objectives, rather than on commodities or specific uses of dollars.

PREP targets the major policy and institutional constraints to an improved primary education system by requiring: 1) proportional stabilization of recurrent expenditures for primary education; 2) primary education expenditures that are consistent with budgets; 3) proportional increases in primary school materials expenditures; 4) decentralization of the MOE; 5) an equity improvement policy; and 6) development of

TABLE 3-1

EDUCATION OF HOUSEHOLD HEADS BY GENERAL POVERTY LEVEL
(All values in percent)

HIGHEST EDUCATION LEVEL HEAD OF HOUSEHOLD	POOREST 10%	POOREST 30%	ALL GHANA
None	80.8	71.7	53.9
Primary School	3.5	6.9	8.1
Middle School	15.7	20.6	31.3
Secondary School	0.0	0.0	3.3
Teacher Training	0.0	0.5	1.8
Other Post-Secondary	0.0	0.3	0.4
University	0.0	0.0	1.2
TOTAL	100.0	100.0	100.0

Source: Ghana Living Standards Survey.

student achievement testing. Urgent short-term sectoral needs to be met through programming of local currency include acquisition of basic teaching materials; primary education staff training; improved MOE planning, management and supervision; development and implementation of an equity improvement program; expansion of the MOE Project Management Unit; and studies and technical assistance. Limited local currency will also be programmed to support the USAID/Ghana Trust Fund.

3.1.4 Consistency with Agency Policies

The appropriateness of Ghana for A.I.D. Development Fund for Africa (DFA) program assistance is reflected by its inclusion in the "top ten" of Category 1 countries targeted for special consideration in the 1989 Africa Bureau's Action Plan as based on need and performance criteria. A program assistance mode is also appropriate for this type of activity. As noted in the Sector Update: "There is a very strong case for program assistance to increase the import capacity of the economy, strengthen the credibility of the GOG's commitment to market-determined exchange rates, and finance both recurrent and capital expenditures in local currency that would otherwise be unaffordable without counter-productive taxation."

The goal of Africa Bureau DFA programs is to encourage economic growth that is broad-based, market-oriented and sustainable, and an important part of USAID/Ghana's preliminary development strategy is to focus available resources on issues of critical importance to per capita income growth. PREP is also fully consistent with the Africa Bureau Basic Education Action Plan, which highlights correlations between education investment and increased entrepreneureship, agricultural productivity, innovation, improved health status, and reduced population growth rates. That Plan ranks Ghana fifth in Africa according to educational need and fourth according to performance.

USAID's decision to focus a major portion of its portfolio on the Ghanaian education sector evolved directly from these Agency and Bureau strategies. The goal of A.I.D. assistance to Ghana is to contribute to an increase in Ghanaian per capita income. USAID/Ghana has an approved FY88-90 strategy for AID assistance to Ghana, elaborated in an FY90 Concept Paper, and is currently operating under an FY89-90 Action Plan. The Mission will be developing a new Country Program Strategic Plan (CPSP) in FY91 that will focus on 1) increasing worker productivity by improving the educational status of workers; 2) increasing rural incomes; 3) increasing exports; and 4) decreasing family size. Principal activities to achieve these objectives will be expanded and strengthened primary education, continuing agricultural production activities, new agricultural marketing and agribusiness activities, and strengthened and expanded family planning activities.

PREP will directly contribute to increasing Ghana's per capita income by increasing the efficiency of it's major public employment sector, and will develop the potential for long-term increases in productivity in all sectors through education improvement.

3.2 PROGRAM GOAL AND PURPOSE

The goal of PREP is "to establish a quality, accessible, equitable and financially sustainable Ghanaian primary education system by the Year 2000." This goal is fully compatible with MOE sectoral objectives. There are four key characteristics of the Ghanaian primary education system targeted by PREP. These are: 1) QUALITY, as measured by student achievement scores; 2) ACCESSIBILITY, as measured by national enrollment rates; 3) EQUITY, as measured by the enrollment and retention rates of currently underrepresented groups of children; and 4) FINANCIAL SUSTAINABILITY, as measured by the MOE's ability to fund a sound primary education system from its own financial resources. While PREP will also improve system efficiency, as measured by dropout and repeater rates, this is not a direct and proximal Program objective.

Program implementation will require a period of five years. Because of this and the six year pipeline between children entering and leaving primary school, objectively verifiable indicators (OVIs) of PREP impact will be measurable at different times. Consideration of this pipeline effect was critical in establishing OVIs of progress towards attainment of Program objectives at the goal and purpose levels of the logical framework ("logframe"), A.I.D.'s key tool for project and program design (see Annex C for the PREP logframe).

Clear improvements in teacher quality and materials availability should occur by Years 3-4 of Program implementation. Improvements in the quality of planning, management and supervision, increased enrollments in disproportionally underrepresented areas, and increased MOE ability to fund primary education from it's own resources should become apparent in Years 4-5 of the Program. Improved Grade 6 student achievement, conversely, will likely be fully measurable only in the year 2000 due to the effect of the five year Program implementation and six year schooling pipelines. The MOE will begin student achievement testing on a pilot basis in the 1991/92 school year, however, and by the end of the Program

(EOP) in July 1995 a trend should be apparent over the 1991/92-1994/95 school years that provides some preliminary indication of PREP impact on student achievement to be anticipated over the ten year time frame.

The goal-level objectively verifiable indicator (OVI) that a higher quality system has been established is that an average of 80% of children completing Grade 6 nationwide will meet the criteria established in reading, writing and arithmetic by the year 2000. OVIs that the system is accessible are that 80% of eligible children nationwide will attend primary school, and that 80% of those entering primary school will graduate from Grade 6 by the year 2000.

Goal-level OVIs that a more equitable system has been established include a 50% increase in enrollment of all children, including girls, and a 25% increase in retention of all children, including girls, in areas targeted by the PREP-supported Equity Improvement Program. Goal-level OVIs for financial sustainability are that MOE is funding 100% of primary education costs out of it's own recurrent budget by the year 2000, and that a primary school student:teacher ratio of 40:1 has been achieved.

The end of Program statement (EOPS), or purpose-level objective of PREP is to "strengthen the policy and institutional framework required to assure a quality, accessible, equitable and financially sustainable primary education system." OVIs that the policy and institutional framework for improved system quality and accessibility has been strengthened include: 1) that a policy for decentralization of MOE financial, managerial and operational authority has been approved and implemented; 2) that system planning, management and supervision functions have been significantly strengthened; 3) that 90% of primary schools have qualified teachers and basic teaching materials; and 4) that an institutionalized, criterion-referenced student achievement testing system is in place.

OVIs that the policy and institutional framework for system equitability has been strengthened are 1) that an Equity Improvement Program (EIP) is being implemented and 2) that a policy for improving system equity is being implemented. OVIs that the policy and institutional framework for system financial sustainability has been strengthened include: 1) the existence of adequate proportional expenditures for primary education; 2) the existence of an approved policy for increasing the percentage of primary school expenditures spent on teaching materials to at least 6%; and 3) the existence of primary education expenditures at 6% or more by the end of the GOG 1993 fiscal year.

3.3 PROGRAM OUTPUTS AND END OF PROGRAM INDICATORS

3.3.1 Disaggregated Primary Education Finance Data

The MOE has about 32 major budget categories, with substantial commingling of education levels in some budget categories. Even after budget estimates are agreed to and published, the Ministry of Finance and Economic Planning (MFEP) may decide on further cuts and only release a percentage of actual estimates. The MOE's actual expenditures,

consequently, do not closely match budget estimates. Moreover, data suggest that MOE overexpends at higher education levels and underexpends at basic and especially primary education levels.

To ensure that Program funds are allocated and expended for the purposes for which they are programmed, and to obtain the data needed to ensure sustainable budgeting and expenditures for primary education, it is necessary to have clearly stated and disaggregated data on primary education budgets and expenditures. This element is key to Program success, and will be tied to conditionality on all five tranched disbursements (Tranches 1-5).

Prior to disbursement of Tranche 1, the MOE will submit a plan acceptable to AID for disaggregation of primary school budget and expenditure data. Meeting this CP will likely require significant effort on the part of MOE prior to Tranche 1 disbursement due to the complexity of the GOG and MOE financial processes. To mitigate this, a detailed Financial Management Assessment was conducted during PAAD design (Annex G). This included an analysis of the current MOE budgeting and financial processes, as well as recommendations for disaggregating primary education financial data. The recommendations of this analysis were modified during PAAD design after further consultation with MOE, and draft guidance for preparing this disaggregation plan is attached as part of Annex G.

3.3.2 Stabilized Primary Education Budgets and Expenditures

Ensuring adequate financial resources for the base of the education pyramid is critical. That secondary and tertiary education levels had been financed at the expense of basic education in Ghana was a major concern of IBRD during EDSAC I, and EDSAC II conditionality calls for minimum maintenance of the basic education (Grades 1-9) share of MOE's recurrent budget at 1989 levels. PREP conditionality is similar, requiring minimum maintenance of the primary education (Grades 1-6) share of MOE's recurrent budget at 1989 level for Tranches 2-5. Both EDSAC II and PREP conditionality require expenditures to be consistent with these budgets to ensure that what is budgeted is actually expended. For PREP, this output is tied to conditionality on Tranches 3-5.

Primary education expenditures at 1989 levels is a key characteristic of the "design case" primary education system for which a sensitivity analysis was conducted to quantify shortfalls under different economic growth and sector allocation scenarios. Another characteristic is the MOE funding 100% of the recurrent costs of the design case from it's own resources without donor assistance. This sensitivity analysis, included in Annex F and summarized in Sct. 9.1.3, found that under the most optimistic scenario for economic growth, GOG allocations to education and MOE allocations to primary education, spending on primary education would exceed the costs of the design case by 170% in the year 2000. Under a realistic worst case scenario, the analysis found that there would be a shortfall of 26%; under the most realistic scenario, the analysis found there would be a shortfall of only 2% which could easily be met by slight readjustments in the MOE's recurrent budget.

3.3.3 Increased Materials Expenditures

The chronic absence of even the most basic teaching and learning materials in Ghana's primary schools was cited by the Sector Update as a key constraint to improved primary education quality in Ghana. The exact amount currently expended on primary school teaching aids and materials is unknown, but of the entire MOE recurrent budget less than 2.5% (about US$ 3.1 million) is believed to have been spent on supplies in Grades 1-12 in 1988. The average expenditure on materials in Sub-Saharan Africa is 6%, and a recent IBRD review of 88 worldwide education assistance projects found that return on field-level teaching and learning aids exceeds most other education sector investments.

PREP leverages an institutionalized increase in the percentage of the MOE recurrent budget for primary education expended on books and materials to 6.0% by the end of GOG fiscal year 1993. Because of the importance of materials to education quality, this output is tied to conditionality on three tranched disbursements (Tranches 3-5) and requires a policy statement to provide reasonable assurances of post-PREP sustainability.

3.3.4 Increased Decentralization

The Education Sector Update identified the absence of a decentralization policy to be a significant and systemic institutional constraint to improving education quality, employee accountability and field level effectiveness. The GOG shares this concern. In July 1987, a committee was formed by the Provisional National Defence Council (PNDC) Secretary for Education and tasked with making recommendations for restructuring the Ghana Education Service and strengthening regional and district education offices. During the past three years, this committee, through the MOE and other fora, has debated various options for decentralization and in the process raised the awareness of both the educational system and public of the need for decentralization.

The committee's final recommendations, which have only recently been submitted to the PNDC, call for a major strengthening of the 110 District Education Offices and significantly increased responsibilities and authority for District Education Officers (DEOs). This reorganization would devolve to the DEOs responsibility for 1) management of all schools and personnel within the District; 2) supervision of school management, teaching, learning and guidance services throughout the district; 3) budgeting and financial control over schools and institutions within the district; and 4) collection and analysis of statistics and data for all schools within the district, with the DEOs making records and data available to regional and national levels when required.

The details as to how these authorities will be carried out are still being discussed at the highest levels of government. Indications during PAAD design, however, were that key budgeting and personnel management powers would become District level functions. The critical role of the DEO has been recognized by the GES, and upgrading of these positions to the Director level has also been recommended.

PREP adheres to the position that decentralization of MOE financial and managerial responsibilities to the district level is fundamental to development of an effective and quality primary educational delivery system. PREP thus supports MOE decentralization through conditionality requiring an approved MOE decentralization policy and AID-approved implementation plan for decentralization (Tranche 3), and evidence that the MOE decentralization policy is being implemented (Tranche 4).

The criteria for AID approval of a decentralization policy are that, at a minimum, decentralization involve devolution of greater financial and managerial authority to the district level. These criteria purposely provide flexibility in what must be a Ghanaian policy that is both workable in the Ghanaian context and politically acceptable. This Program output is fully consistent with existing MOE initiatives, and USAID is confident that conditionality to help leverage realization of those initiatives can be met.

3.3.5 Improved Staff Quality

Implementation of an MOE staff development program (SDP) will, in concert with provision of instructional materials and improved school supervision and management, significantly relieve one of the principle constraints to quality primary teaching in Ghana.

Approximately 200,000 teacher-weeks of in-service training will be carried out by the MOE over five years, and while it will focus on in-country training of primary school teachers the SDP will also train employees at other MOE staff levels. This training, a critical short-term need to improve the teaching of basic skills and bring unqualified primary school teachers who are not retrenched up to standard, is fully consistent with EDSAC CPs and GOG plans.

Ghana has both the recent experience and the capacity, albeit minimal, to meet these needs. Approximately 81,000 teacher-weeks of in-service Junior Secondary School (JSS) teacher training has been conducted since 1987, and the impact on education quality has been significant. Impact monitoring reports by District Implementation Teams to the School Reforms Committee, for example, indicate that JSS in-service training and improved materials supplies resulted in decreased teacher absentee rates, increased quality of teaching, and improved supervisory commitment.

Ghanaian infrastructural capacity to train large numbers of teachers is considered adequate, but only marginally so. The MOE has identified about 50 sites for in-service teacher training use, and the 38 Teacher Training Colleges (TTCs) are only operating at about one third capacity. The Sector Update found that capital investment in widespread expansion of capacity might result in a supply excess by the mid-1990's, and a strategy employing existing facilities might therefore be more cost-effective in the long run. Programming of local currency for planning, management and supervision may be used to upgrade some of the TTCs.

Adequate supplies of qualified in-service instructors poses a somewhat more serious constraint although the MOE has employed a variety of effective methods to cope with limited trainer capacity for in-service

JSS training. Given sufficient funds, the MOE is not expected to experience serious problems in developing the requisite primary school trainer capacity.

Draft criteria for AID approval of the SDP are that the plan cover all employees and provide verifiable outputs based upon needs assessments. This Program output will require MOE implementation of an AID-approved staff development program (Tranche 2), and evidence that 90% of primary school teachers have been trained to minimum teaching standards by the end of the Program (Tranche 5).

3.3.6 Improved Equity

There is significant variation in primary education access and retention in Ghana (Annex H). Enrollment rates differ substantially both between geographical areas (46-57% in northern Ghana vs. 69% average) and between levels of income (43-46% among the poorest vs. 67-71% average). Significant disparities, moreover, occur between schools even within a given district.

In general, geographical inequities are greater than those of gender but persistent disparities between the sexes do exist. Lower enrollment and retention rates for girls are the most consistent pattern among indicators, especially in northern Ghana; with this exception, however, female enrollment as a percent of total national enrollment is estimated at 45% which compares favorably with other West African countries.

The MOE does not target individual ethnic or gender groups to increase the proportion of those groups entering and completing school. Gender inequity, specifically, is not considered a major issue given the scope and magnitude of problems with the overall primary education system. The GOG, rather, pursues a broad policy of increasing intake into primary schools with special emphasis on expanding access in the northern half of the country and in other areas where access is persistently low.

PREP's strategy to improve equity imbalances is two-pronged. First, it contributes indirectly to improving system equity by improving education quality and effectiveness throughout Ghana. Second, it directly addresses equity imbalances by requiring GOG implementation of an Equity Improvement Program (EIP) and equity improvement policy. Criteria for AID approval of the EIP are found in Sct. 4.4.2. This output is tied to conditionality on two tranched disbursements (Tranches 2 and 4). A summary of the PREP Social Feasibility Analysis (Annex H), including a further discussion of equity issues, is found in Sct. 9.4.

3.3.7 Student Achievement Testing

Student achievement tests are a prime motivator for student learning in schools. Most developing nations focus resources on preparing students to perform credibly on achievement tests. When properly developed, tests also serve as accurate measures of knowledge and skill acquisition (i.e., education quality). Given the fundamental importance of improving the quality of primary education, PREP leverages student achievement testing for the purpose of measuring system quality.

Several types of student achievement testing were considered during PREP design. It was originally forseen that PREP would support IBRD's plan for implementing standardized testing for all students in Grade 6. However, significant difficulties with development and application of valid standardized tests became apparent. During the PAAD design it was determined that criterion-referenced testing (CRT) would be the most appropriate student achievement testing method in the Ghanaian context. CRTs have several advantages over other types of student achievement testing. They diagnose weaknesses in both the student and instructional system, they are easier and less expensive to design than standardized norm-reference tests, and they do not require lengthy item analysis and standardization procedures. Both the MOE and IBRD are agreed on the appropriateness of using simple criterion-referenced tests to measure basic skill achievement, i.e., reading, writing and arithmetic.

CRTs for testing reading, writing and arithmetic skills will be developed for all primary school students, and will be administered at a minimum at the Grade 6 level. This will enable the MOE to compare the quality of the primary school system over time. A CP requiring evidence that CRTs have been developed and approved, and that pilot testing has been initiated, will require satisfaction prior to Tranche 3 disbursement. A a CP requiring evidence that CRTs have been administered to at least 80% of Grade 6 students and the results published will require satisfaction prior to Tranche 5 disbursement.

This is largely consistent with EDSAC conditionality requiring Grade 6 achievement testing. It is anticipated, but will not be required by conditionality, that the MOE will expand its criterion-referenced testing program to the lower (and upper) grades for the purposes of evaluating student academic achievement and identifying learning needs. In support of this output, and the projectized component of PREP will provide short-term TA and training of MOE personnel.

3.4 THE PROJECT COMPONENT

PREP includes a US$ 3.0 million projectized component to fund long-term and short-term technical assistance, onshore and offshore training, and evaluations, financial assessments and financial management reviews. These are all activities essential to Program success, and for which USAID/Ghana will retain funding and implementation control.

Evaluations, financial assessments and financial management reviews will be directly managed by USAID/Ghana. Technical assistance (TA) and training activities will be conducted by an institutional contractor for

services related directly to Program implementation, and through a buy-in to the centrally-funded Advancing Basic Education and Literacy (ABEL) Project for services related to Program impact assessment. Special studies will be funded that are directly relevant to implementation and people level impact (PLI) assessment, but which may be outside the mainstream of MOE activities. Special studies identified during PREP design include 1) an assessment of PMU data collection and analysis capabilities and needs; 2) design of an appropriate computerized data collection and management system; 3) design and testing of the PREP PLI impact assessment program, including assessing the people level impact of PREP's Equity Improvement Program (EIP); and 4) an assessment of the relationship between education level and income.

An institutional contractor will provide implementation support services throughout the life of the Program (LOP). A long-term assistant for the PREP Program Manager will also be provided to serve in a line position at USAID/Ghana (see scope of work in Annex J). The contractor will also arrange for short-term onshore (18 person-months) and offshore (15 person-months) TA to provide specialized assistance to the MOE for planning and other activities required to support PREP implementation. Short-term offshore training (30 person-months) will be reserved for special short-term training needs of senior MOE personnel in the U.S. and other countries outside of Ghana. Short-term onshore training (18 person-months) will be used to train MOE personnel in Ghana; these funds will be used primarily to conduct specialized in-service training. A training plan is attached as Annex K.

TA support for PREP's PLI assessment program, to be implemented by the PMU, will be provided through a buy-in to the ABEL Project (scope of work in Annex J). A total of 15 person-months of offshore TA and 16 person-months of onshore TA will be procured to support design, testing, and quality control of PLI monitoring program activities over the LOP.

Two evaluations, an external mid-term evaluation and an external end of Program (EOP) evaluation, will be funded under the projectized component, as will four annual financial assessments and five annual financial management reviews (Sct. 8.0). USAID/Ghana will contract for the services of a local financial management firm to conduct these financial assessments and management reviews.

3.5 BENEFICIARIES

PREP will improve the quality, accessibility, equitability and financial sustainability of Ghana's primary education system through policy and institutional reform and programming of local currency to support urgent sectoral needs. By the EOP, 63,000 primary school teachers, 1400 supervisory personnel and 2.1 million children will have directly benefitted from PREP activities. This benefit stream will increase substantially after the EOP, affecting all children who attend primary school and increasing, later in life, the incomes of those who complete the primary school cycle. PREP will thus substantially benefit the entire nation. Specially targeted beneficiary groups are children, especially girls, in those areas currently underrepresented in the system that will be the focus of the PREP-supported Equity Improvement Program.

4.0 PROGRAM IMPLEMENTATION PLAN

Implementation of PREP will commence immediately after authorization of PREP's Program Assistance Approval Document (PAAD) in AID/Washington and signature of the PREP grant agreements by the U.S. Government (USG) and Government of Ghana (GOG) in Accra. A Program implementation schedule is attached at the end of Sct. 4.0 as Table 4-1.

4.1 AUTHORIZATIONS AND OBLIGATIONS

USAID and the GOG will obligate Development Fund for Africa (DFA) funds for PREP in five tranches, 1990-1994. The first, of US$ 8.361 million (US$ 7.0 million program), will be obligated upon signature of the grant agreements in late fiscal year (FY) 1990 (Sct. 6.4). The second through fifth obligations will require annual amendments to the Program Agreement as well as amendments to the PAAD authorization. These obligations are planned at US$ 4.00 million in FY 1991 (US$ 4.0 million program); US$ 9.16 million in FY 1992 (US$ 8.0 million program); US$ 8.0 million in FY 1993 (US$ 8.0 million program); and US$ 5.0 million in FY 1994 (US$ 5.0 million program). These figures may increase or decrease subject to the availability of funds.

The Assistant Administrator for the Africa Bureau (AA/AFR) will authorize the PAAD and the first tranche. Subsequent authorization amendments and all obligations will be executed by the A.I.D. Representative in accordance with A.I.D. delegation of authority procedures. Transfer of the amounts obligated will be contingent upon satisfaction of conditions precedent (CPs) discussed in Sct. 4.2. Once it has been determined through tranche review procedures established for PREP (Sct. 4.3.1) that the GOG has provided sufficient evidence of having satisfied all CPs for a given tranche, USAID will notify the Secretary of the Ministry of Finance and Economic Planning (MFEP) and Secretary of the Ministry of Education (MOE) in writing with a Project Implementation Letter (PIL) and commence tranche disbursement procedures (Sct. 4.3.2).

4.2 CONDITIONALITY

Three essential conditionality requirements exist in the current context of education sector reform in Ghana: 1) that insofar as practicable, conditionality not undermine EDSAC program conditionality; 2) that the administrative load implied on an already heavily burdened MOE be minimized; and 3) that the number of CPs per tranche be restricted to only the most essential. Conditionality under PREP was developed to meet these requirements at the same time that it ensures the achievement of Program objectives. It is also designed to ensure that CPs are as uniform as practicable, not unnecessarily onerous to the GOG, complement the existing and planned sectoral reforms to the extent practicable, and do not undermine the sectoral reforms.

Given prevailing CP constraints, a concerted effort was made to opt for evidence of implementation of plans and programs where practicable rather than require formal policy statements for which plans and programs would in any case still be required. Formal policy statements are therefore

only required in three instances where A.I.D. must have reasonable assurances of post-Program reform sustainability. These three cases relate to a proportional increase in materials expenditures for primary education, MOE decentralization, and equity improvement. A programming schedule for PREP conditionality is presented in Table 4-2.

4.2.1 Conditions Precedent

There are nine basic CPs to disbursement of PREP funds. These relate to 1) specimen signatures and bank account numbers; 2) the integration of PREP into the MOE Project Management Unit (PMU); 3) disaggregation of MOE primary education budget and expenditure data; 4) stabilization of primary education budgets, and expenditure of funds consistent with those budgets; 5) increased proportional expenditures for primary education teaching materials; 6) training of primary education staff; 7) MOE decentralization; 8) student achievement testing; and 9) equity improvement.

Guidelines for integration of PREP into the MOE PMU are found in Sct. 4.6.3 and Annex E; for disaggregation of primary education budget and expenditure data in Annex G; for decentralization in Sct. 3.3.4; for development of the staff development program (SDP) in Sct. 3.3.5; and for the Equity Improvement Program (EIP) in Sct. 3.3.6 and Annex H.

Tranche 1. Prior to disbursement of US$ 4.0 million Tranche 1 Program funds, the GOG will submit to USAID/Ghana:

1) Specimen signatures of the responsible officers for PREP on behalf of the Ministry of Finance and Economic Planning (MFEP) and on behalf of the Ministry of Education (MOE); and the name of the banks and numbers of the bank accounts to be used for transfer of U.S. dollars during implementation (i.e., the GOG account in New York), deposit of generated local currency (i.e., the MFEP account in Accra), and deposit of local currency for use by the MOE during implementation (i.e., the MOE account in Accra).

2) An acceptable plan for integration of PREP into the PMU; and

3) An MOE plan for disaggregation of primary school budget and expenditure data over the life of the Program (LOP).

Tranche 2. Prior to disbursement of US$ 7.0 million Tranche 2 Program funds, the GOG will submit to USAID/Ghana:

1) Primary education budget and expenditure data for 1990;

2) Evidence that primary education's share of the 1991 MOE recurrent budget is at least at 1989 levels;

3) Evidence that there exists an AID-approved primary education staff training program that is operational; and

TABLE 4-2

CONDITIONS PRECEDENT AND CP PROGRAMMING SCHEDULE
GHANA PRIMARY EDUCATION PROGRAM

TRANCHE	1	2	3	4	5
1. Signatures and Accounts.	Signatures and Account numbers.*				
2. Program Management Unit.	Acceptable Plan for integration of PREP into the PMU.				
3. Disaggregation of MOE primary education budget and expenditure data.	MOE plan for disggregation of primary school budget and expenditure data.	Receipt of primary education budget and expenditure data for 1990.	Receipt of primary education budget and expenditure data for 1991.	Receipt of primary education budget and expenditure data for 1992.	Receipt of primary education budget and expenditure data for 1993.
4. Primary education budgets stabilized; expenditures consistent with budgets.		Primary education share of 1991 recurrent MOE budget at least at 1989 level.	Primary education expenditures consistent with 1991 budgets. Primary education share of 1992 recurrent MOE budget at least at 1989 level.	Primary education expenditures consistent with 1992 budgets. Primary education share of 1993 recurrent MOE budget at least at 1989 level.	Primary education expenditures consistent with 1993 budgets. Primary education share of 1994 recurrent MOE budget at least at 1989 level.
5. Primary education teaching materials expenditures increased as a proportion of MOE recurrent primary education budget.			Evidence of MOE policy and AID-approved plan to increase the percent of the MOE recurrent primary education budget spent on primary teaching materials, excluding donor funding, to 6%.	Evidence 1992 materials expenditures at least 5% of recurrent MOE primary education budget, excluding donor funding.	Evidence 1993 materials expenditures at least 6% of recurrent MOE primary education budget, excluding donor funding.

* Includes opinion of counsel acceptable to A.I.D. that the Ghana Primary Education Program has been duly authorized and rectified and executed on behalf of the GOG

TABLE 4-2

CONDITIONS PRECEDENT AND CP PROGRAMMING SCHEDULE
GHANA PRIMARY EDUCATION PROGRAM

TRANCHE	1	2	3	4	5
6. Primary Education staff training.		Evidence an AID-approved primary education staff training program is operational.			Evidence 90% of primary school teachers trained to minimum teaching standards.
7. MOE Decentralization (DC) Policy.			Evidence of an approved MOE decentralization policy and AID-approved decentralization implementation plan.	Evidence MOE decentralization plan is being implemented.	
8. Student Achievement Testing.			Evidence that criterion-referenced tests (CRTs) have been developed and approved, and pilot testing has been initiated.		Evidence that CRTs have been administered to at least 80% of P6 students and results published.
9. Equity Improvement Program.		Evidence that AID-approved pilot program for system equity improvement initiated by MOE.		Evidence that an Equity Improvement Policy is being implemented by MOE.	
Total CPs:	3	4	5	5	5
Total Disbursement (US$ millions in LC equivalent):	4.0	7.0	8.0	8.0	5.0

4) Evidence that an AID-approved pilot program for system equity improvement has been initiated by the MOE.

Tranche 3. Prior to disbursement of US$ 8.0 million Tranche 3 Program funds, the GOG will submit to USAID/Ghana:

1) Primary education budget and expenditure data for 1991;

2) Evidence that primary education expenditures for 1991 are consistent with 1991 budgets and that primary education's share of the 1992 recurrent budget is at least at 1989 levels;

3) Evidence that there exists an MOE-approved policy and plan to increase the percentage of the MOE's recurrent primary education budget going to primary education teaching materials to 6%, exclusive of donor funding, by the end of the GOG fiscal year 1993;

4) Evidence of an approved MOE decentralization policy and AID-approved decentralization implementation plan; and

5) Evidence that criterion-referenced tests have been developed and approved, and that pilot testing has been initiated.

Tranche 4. Prior to disbursement of US$ 8.0 million Tranche 4 Program funds, the GOG will submit to USAID/Ghana:

1) Primary education budget and expenditure data for 1992;

2) Evidence that primary education expenditures for 1992 are consistent with 1992 budgets and that primary education's share of the 1993 recurrent budget is at least at 1989 levels;

3) Evidence that primary education materials expenditures for 1992 were at least 5% of the recurrent MOE primary education budget, excluding donor funds;

4) Evidence that the MOE decentralization plan is being implemented; and

5) Evidence that an equity improvement policy is being implemented by the MOE.

Tranche 5. Prior to disbursement of US$ 5.0 million Tranche 5 Program funds, the GOG will submit to USAID/Ghana:

1) Primary education budget and expenditure data for 1993;

2) Evidence that primary education expenditures for 1993 are consistent with 1993 budgets and that primary education's share of the 1995 recurrent budget is at least at 1989 levels;

3) Evidence that materials expenditures for primary education in 1993 were at least 6% of the recurrent MOE primary education budget, excluding donor funding;

4) Evidence that 90% of primary school teachers have been trained to at least minimum teaching standards; and

5) Evidence that criterion-referenced tests have been administered to at least 80% of Grade 6 students and the results published.

4.2.2 Covenants and Other Provisions

The Cooperating Country shall covenant that any funds from the sale of textbooks or other materials procured with PREP funds shall be deposited in the MOE revolving account for school books and materials for basic education and that the EIP will have specific objectives and targets against which progress will be reviewed jointly by the GOG and the USAID.

4.2.3 Contextual Relationships and Feasibility

Relationship of PREP to EDSAC Conditionality. A.I.D.'s Africa Bureau Executive Committee for Project Review (ECPR) suggested that PREP should be a parallel activity with IBRD and not a joint program, and recommended that the final PREP design document analyze the compatibility of PREP and EDSAC objectives and conditionality to identify points of convergence and areas where PREP should diverge from that of IBRD. It also recommended that the PREP design team ensure that any conditionality adopted from IBRD is also appropriate for PREP.

While PREP and EDSAC objectives are fully compatible, PREP is not "a joint program" with IBRD. Most EDSAC conditionality is not directly germane to PREP's focus on primary education, nor vice versa, and PREP does not "adopt" IBRD conditionality. PREP nonetheless complements and parallels EDSAC's focus on reform of Grades 7 and above by targeting the base of the education pyramid, Grades 1-6.

Key conditions under EDSAC I include 1) IBRD approval of draft education budgets; 2) audit of MOE staff payrolls; 3) a freeze on teaching post numbers, recruitment levels and the number of untrained teachers; 4) reduction of secondary and tertiary level subsidies; 5) development of standardized student achievement tests; and 6) establishment of performance targets for Senior Secondary School (SSS) reform.

Key conditions under EDSAC II include 1) maintaining basic education's share of the recurrent education budget at least at the 1989 level; 2) annual reviews to ensure that actual expenditures for the preceeding financial year are "in line with agreed budgets;" 3) achieving and maintaining a minimum SSS student to teacher ratio of 20:1; 4) freezing the number of Ghana Education Service (GES) staff; 5) keeping book fees in primary and JSS schools at no less than the 1987 proportion of full costs; 6) maintaining SSS book user fees at a level sufficient for the GOG to cover the full costs of the books over their life span; and 7) maintaining SSS food fees at a level that covers their full costs.

PREP conditionality is similar to that of EDSAC on only three points, but on each of these it also diverges from that of EDSAC. The first is maintaining basic education's share of the MOE recurrent budget at least at 1989 levels, and the second is annual review to ensure that actual expenditures for the preceeding financial year are "in line with agreed budgets." PREP conditionality is largely consistent with EDSAC on these points, but diverges in both cases by addressing only the primary (Grades 1-6) portion of the basic education (Grades 1-9) system. These two conditions precedent (CPs) to disbursement are clearly essential to attainment of PREP objectives regarding system effectiveness and financial sustainability.

The third point of divergence between EDSAC and PREP conditionality is student achievement testing, where PREP supports development and administration of criterion-referenced tests (CRTs) in lieu of the standardized student achievement tests proposed by IBRD. This was discussed with IBRD and MOE during PAAD design, and preliminary agreement was reached to adopt CRTs as the standard testing methodology for basic education in Ghana.

Feasibility of Meeting PREP CPs. PREP has nine basic CPs to disbursement of tranched funds. These CPs appear as 23 individual CP targets over the five tranche life of the Program (LOP), but no more than five targets occur for any tranche (Table 4-2). Each CP and target has been carefully derived and each is essential to attainment of Program objectives. They have, moreover, been carefully scheduled and coordinated with disbursement levels and both USAID and the MOE believe that it will be feasible for the MOE to meet CP targets as scheduled.

One CP, signatures and accounts, is a one-time and pro forma requirement. One other, submittal of an acceptable plan for integration of PREP into the PMU, is a one-time CP for which considerable planning has already been conducted. Two CPs, regarding budget stabilization and expenditures consistency (4 targets) and student achievement testing (2 targets), are for all practical purposes consistent with IBRD conditionality and will likely be met at the same time and with largely the same evidence for both programs. The CP on disaggregation of MOE primary budget and expenditure data (5 targets) is clearly essential to meeting CPs related to budget stabilization, expenditure and budget consistency, as well as meeting the CP for increased expenditures on teaching materials.

The CPs on increased expenditures for primary school materials (3 targets), MOE decentralization (2 targets), and equity improvement (2 targets) are all essential to ensuring that policy and institutional reforms addressing these key constraints not only occur, but are implemented and institutionalized. Because of the importance of these core activities, they all three require established policies.

Finally, the CP on staff training is essential for A.I.D. to ensure that the 25% of Program funds going to what is a key constraint to improved primary education is well-conceived, implemented on time, and effective in it's output. Training of 63,000 educators over five years will be a complicated process, involving preparation of training needs assessments, development of programs which meet the specific needs of various categories of educators, and difficult logistics and procurement actions.

4.3 TRANCHE REVIEWS AND DISBURSEMENT

4.3.1 Tranche Reviews

Draft condition precedent (CP) tranching is found in Table 4-2. Disbursement of dollars will be tranched against receipt of evidence that specific CPs to disbursement have been met. Funds will be disbursed in five tranches, 1990-1994. Disbursement will maximize in Years 3 and 4 (US$ 8.0 million per tranche) of PREP as added leverage for what are the most difficult and important policy and institutional reforms to implement: 1) maintaining expenditures in line with budgets; 2) a policy and plan for increasing materials expenditures; 3) actually increasing materials expenditures; 4) approving a decentralization policy and implementing a decentralization plan; 5) developing, approving and testing an appropriate student achievement testing program; and 6) approving and implementing an equity improvement policy.

IBRD and the GOG jointly monitor EDSAC by conducting annual tranche reviews. Under EDSAC II, the first review took place during negotiations and the second and third will take place about one and two years, respectively, after signing of the agreement. Reviews assess: 1) public expenditure on education by looking at prior year budget and expenditure data and use of coming year credit proceeds; 2) tranche conditionality; and 3) performance targets. In addition, each year at about budget time (December), IBRD and the MOE agree on the budget for the upcoming year. EDSAC II will be disbursed in three tranches, the first when the agreement is signed and the second and third following annual reviews.

Two types of tranche reviews will take place during PREP implementation. An informal pre-tranche review is tentatively scheduled for February of each year to review progress in meeting CPs to current year tranche disbursement. More formal annual tranche reviews will occur one to three months prior to scheduled disbursement of the respective tranches (tentatively June) to identify and develop a strategy for resolving problems in meeting CPs. Because some PREP conditionality is closely related to that of EDSAC, USAID/Ghana may also attend World Bank (IBRD) annual tranche reviews occurring at approximately the same time. The possibility of holding joint tranche reviews will be further explored during implementation.

Prior to each pre-tranche and tranche review, the Office of the Ministry of Education Project Management Unit's (MOE/PMU) PREP Coordinator will advise USAID/Ghana in writing regarding the status of progress towards meeting CPs. Where the PMU believes one or more CPs to disbursement have been met, it may also provide evidence on an ad hoc basis to substantiate that claim. Findings that CPs to disbursement have been met will occur through issuance of Project Implementation Letters (PILs) on either an ad hoc basis or when all CPs to a given tranche disbursement have been met, as determined by the A.I.D. Representative during implementation in accordance with applicable delegations of authority.

4.3.2 Tranche Disbursement

The first and subsequent tranches will be disbursed immediately after an approved PIL has been sent to Ministry of Finance and Economic Planning (MFEP) and the MOE finding that CPs to disbursement of the respective tranches have been satisfied. After issuance of the PILs, USAID will instruct A.I.D./Washington (PFM/FM/PAD Office) by cable to transfer the funds to the Bank of Ghana (BOG) account in New York. The cable will include 1) certification that all CPs have been met and the date met; 2) any other information which may be required under the terms of the agreement to make the disbursement; 3) the dollar amount to be disbursed; and 4) the BOG's U.S. bank address, account name, and account number. AID/W will then effect the transfer from the U.S. Treasury to that account.

Tranched dollars will be disbursed into a single, separate, non-commingled, interest-bearing BOG account in New York. Interest will accrue to the GOG to be used for PREP implementation purposes. All dollars will be converted into local currency through Ghana's foreign exchange auction system. The BOG will auction letters of credit against this account at its weekly auctions. In order to accelerate disbursement, there will be no restrictions on the auctions and use of PREP dollars, except for those few imposed by the GOG (see Annex M).

Within 90 days of dollar disbursement, the BOG will report to USAID and MFEP on the auction of the dollars, including dollar amounts, exchange rates, and cedis generated. In the unlikely event that not all dollars are auctioned within 90 days of disbursement, the BOG will submit quarterly reports containing the above information until they are auctioned.

After auction, the LC equivalent will be deposited into a Ministry of Finance and Economic Planning (MFEP) account in Ghana within 30 days. At this point, local currency release and control procedures established for PREP will take over (Sct. 4.4.3).

4.3.3 Dollar Tracking

Section 592(b) of the 1990 Appropriations Act states that countries receiving cash transfers or cash disbursing non-project sector assistance, whether Development Assistance- (DA), Development Fund for Africa- (DFA) or Economic Support Fund- (ESF) financed, are required to set up separate accounts for receipt of such funds and to not commingle them with other funds. The legislation further requires A.I.D. to submit a Congressional Notification (CN) at least 15 days prior to obligation of any such cash transfer or non-project sector assistance, including details on the planned uses of the dollars to be provided on a cash basis.

PREP will establish and use separate accounts in both New York and Ghana for dollars, respectively. Dollars will be tracked until letters of credit (LOCs) are issued against auction transactions by the BOG in Ghana, and the BOG will submit lists of LOCs issued against the BOG PREP account in New York to USAID. However, adhering to Section 592(b) requirements for detailing planned uses of dollars provided by PREP would be intrusive to Ghana's foreign exchange allocation system, a system that for the most part is open and non-directive; because of this, and because the level of control that would be required by A.I.D. represents more control than the GOG itself requires, USAID/Ghana has sought an exemption under Section 592(b)(4) of the Act for PREP. Pursuant to State cable 50769, a description of the GOG foreign exchange allocation procedures and justification for an exemption of Section 592(b) requirements for PREP was cabled to the A.I.D. Africa Bureau in May 1990 (Accra 2826; Annex M).

4.4 LOCAL CURRENCY PROGRAMMING, MANAGEMENT AND MONITORING

4.4.1 Background

Absorptive Capacity of the GOG. The recent past performance of the GOG in programming and budgeting local currency (LC) has clearly demonstrated that the key GOG ministries responsible for PREP implementation have the technical and managerial capacity to program, budget, disburse, monitor, account for and report on use of LC for the purposes designed. Ministry of Finance and Economic Planning (MFEP) performance during USAID/Ghana's Agricultural Productivity Promotion Program (APPP), and Ministry of Education (MOE) performance throughout the EDSAC program, have both been excellent. The roles and capacities of MFEP and the MOE to manage LC funds is assessed in Annex E.

4.4.2 Local Currency Uses

Due to the inordinate management load that would be required for significant A.I.D. involvement in the programming of local currencies, the GOG will be given primary responsibility for allocation and management of LC funds with USAID oversight sufficient to meet monitoring and financial reporting requirements.

Cedis realized from the sale of PREP dollars through the BOG auction will be deposited in a special Ministry of Finance and Economic Planning (MFEP) account. The Mission and the GOG will then agree that these funds will be used simply as budgetary support for primary education, and for a U.S. Trust Fund. Should USAID, during the course of the program, determine that further designation of local currency is needed in support of speicific program objectives, the Mission will jointly program such currency with the GOG. The Mission would also expand the monitoring and tracking system to include end-use checking of more careful oversight of the use of local currency.

USAID/Ghana Trust Fund. The local currency equivalent of US$ 2.0 million (cedis 630.0 million), or 6.25% of the total LC counterpart fund, will be allocated to the USAID/Ghana trust fund. Funds will be deposited to the existing OE trust fund account at an average rate of 6.25% of the total Program funding for each tranched disbursement. These funds will be used to pay for Mission program strategy development, program design, program implementation, and local operating expenses such as rent, staff and other legitimate local currency costs associated with operation of USAID/Ghana's program.

All direct PREP costs have been budgeted for within the Program budget, and no use of trust funds in direct support of PREP activities is anticipated. Trust funds may, however, be used if needed to augment projectized funds in support of other program purposes during later implementation stages of PREP. USAID will report to the Ministry of Finance and Economic Planning (MFEP) semi-annually on use of these funds, and will follow A.I.D. regulations in monitoring and accounting for them.

4.4.3 Local Currency Release and Control

Following the auction of the US dollars, local currency generated will be placed in a single, separate and non-comingled account in Ghana under the control of the GOG. MFEP will then deposit cedis for the approved annual budget into a separate MOE account, and cedis will be drawn down by MOE from that account for the primary education budget. Funds in this special MOE account will not be commingled with funds from other sources that also support MOE programs. MOE will directly disburse funds from this account with MFEP counter signatory authority. Both the Ministry of Education and Ministry of Finance and Economic Planning will designate a minimum of two officials from each ministry with cosignatory authority over the MOE PREP account.

The PMU will manage, on the part of the MOE, all local currency generated by PREP except for that programmed for the USAID/Ghana trust fund, and will oversee PREP-generated LC expenditures and accounting for MOE.

4.4.4 Local Currency Monitoring, Evaluation and Reporting

The use of local currency (LC) generated by PREP will be managed according to Agency policy and in support of the proposed sector reform program. The Mission will receive quarterly financial reports from the GOG reporting on expenditures for primary education, disagregating materials/books and personnel support costs. The Mission will monitor carefully the level and allocation of host government owned local currency spent on primary vs. secondary education and whether the GOG is meeting the prescribed conditionality with regard to expenditures.

4.5 IMPLEMENTATION OF THE PROJECTIZED COMPONENT

The projectized component of PREP will be implemented by USAID/Ghana. The mission HRDO will serve as PREP Program Manager, and will be responsible for procuring 1) the services of an institutional contractor to provide implementation services; 2) short-term technical assistance (TA) through the centrally-funded Advancing Basic Education and Literacy (ABEL) Project to support people level impact (PLI) assessment; 3) financial assessment and financial management review services; and 4) services required to conduct evaluations.

The institutional contractor will provide the long-term services of an Assistant PREP Program Manager. A preliminary scope of work (SOW) is attached in Annex J, and a detailed SOW will be finalized by August 1990. This institution will also provide short-term TA services, both offshore (15 person-months over the LOP) and onshore (18 person-months), and short-term offshore (35 person-months) and onshore (30 person-months) training services.

TA to be provided through the ABEL Project will include 15 person-months of short-term offshore TA and 16 person-months of onshore short-term TA to support PLI assessment. This TA (Scope of Work in Annex J) will be used to assist the PMU in finalizing the design of the impact monitoring program, including that for the EIP, overseeing testing of the program, implementing the program, and ensuring quality control throughout the life of PREP.

The PREP Program Manager will also procure the services of a local accounting and financial management firm to conduct annual financial assessments and financial management reviews (Scope of Work in Annex J), and the services required to conduct mid-term and end of Program (EOP) evaluations. A PREP implementation schedule is attached as Table 4-1, and a summary disbursement schedule for PREP's projectized component is shown in Table 4-4.

TABLE 4-4

SUMMARY DISBURSEMENT SCHEDULE, PROJECTIZED COMPONENT
(US$ 1000s)

Activity	Fiscal Year 1991	1992	1993	1994	1995	Total
Implementation Contract						
	323.6	407.2	452.1	492.8	546.9	2222.6
People-Level Impact Assessment (ABEL Buy-in)						
	70.2	77.2	84.9	98.0	102.8	433.1
Evaluations						
	0.0	0.0	96.8	0.0	109.8	206.6
Audits and Financial Management Reviews						
	10.0	27.5	30.3	33.3	36.6	137.7
TOTAL	403.8	511.9	664.1	624.0	796.2	3000.0

Note: All costs based on 1990 estimates and are in 1990 dollars. Inflation calculated at 10% per year compounded annually.

4.6 SUMMARY OF IMPLEMENTATION RESPONSIBILITIES

4.6.1 Ministry of Finance and Economic Planning

The PREP grant agreements will be signed by USAID and the Ministry of Finance and Economic Planning (MFEP). The GOG bank account in New York established for disbursement of U.S. dollars will be in the name of the Bank of Ghana (BOG), but MFEP will authorize establishment of that account, ensure that the account is interest-bearing, and ensure that any interest accruing thereto will be used for PREP implementation purposes. MFEP will also be responsible for seeing that letters of credit (LOCs) against that account are auctioned on the local foreign exchange auction in Ghana, and ensuring that the BOG submits lists of LOCs auctioned against that account to USAID. MFEP will

further be responsible for; 1) submitting LC expenditure and accounting reports quarterly to USAID in coordination with the MOE; and 2) countersigning drawback from the Ministry of Education (MOE) PREP account.

MFEP will appoint an officer in the Manpower Division or other appropriate division who will be responsible for the backstopping and monitoring of PREP. Among his duties will be to 1) liaise with the BOG and the MOE on the programming and use of LC funds; 2) prepare quarterly LC expenditure and accounting reports; and 3) monitor and backstop the overall implementation of the Program.

4.6.2 Ministry of Education

The MOE is the lead agency responsible on the part of the GOG for PREP implementation, and the MOE Project Management Unit (PMU) will have primary responsibility for implementing PREP on the part of the MOE. The MOE will be responsible for submitting annual local currency (LC) budgets to MFEP, joint programming of LC with MFEP disbursing LC funds, reporting to MFEP on LC use, meeting CPs to disbursement, and restructuring and expanding the PMU to meet PREP implementation needs. Responsibility for PREP-related policy reforms will rest with the Provisional National Defence Council (PNDC) Secretary for Education, who will receive advice from the Deputy Secretary for School Education, the National Planning Committee for the School Reform (NPCSR), the Ghana Education Service (GES) and USAID.

4.6.3 MOE Project Management Unit

The PMU will be responsible for implementation of PREP for the MOE. This responsibility will include all planning, management, supervision, implementation monitoring, impact assessment, commodity and service procurement functions, as well as any other implementation functions falling under MOE responsibility. The design of the PREP management structure as it relates to the PMU is fully compatible with that of IBRD under EDSAC I and II.

Established in 1987 to facilitate implementation of Ghana's education reform program, the PMU has demonstrated impressive commitment and organizational capability throughout the first phase of the program despite a series of top leadership changes. Limitations developed, however, especially in procurement functions. Delivery of books into classrooms and teacher training, for example, fell further behind in each successive year of EDSAC because of the growing burden of implementing such a large and complex program. The MOE will strengthen and expand the PMU including hiring project officers for primary and secondary education and hiring assistance-level staff to support project officers in a number of functional areas.

4.6.4 Institutional Contractor

The institutional contractor will be responsible for provision of a long-term Assistant Program Manager to USAID/Ghana for a period of 4.75 years, for provision of offshore and onshore short-term technical assistance (TA), and for provision of short-term offshore and onshore training. These services will be procured to support PREP implementation. Short-term offshore and onshore TA provided through a buy-in to the Advancing Basic Education and Literacy (ABEL) will be used to support PREP's people level impact assessment program.

4.6.5 USAID/Ghana

The AID Representative will have overall responsibility for PREP, including negotiation of agreements, management and oversight. The USAID direct hire (USDH) Program Manager will be responsible for day-to-day Program implementation tasks and oversight with the assistance of a long-term Assistant Program Manager provided under the institutional contract. The Project Development Office will have responsibility for overall Program backstopping and monitoring to assure that implementation is in accordance with the provisions of the Grant Agreements.

Major responsibilities of USAID/Ghana include negotiating the grant agreements, contracting with an appropriate institution for provision of long- and short-term TA and training, managing buy-ins to the ABEL Project for acquisition of short-term TA, contracting for external mid-term and end of Program (EOP) evaluations, contracting for financial assessments and financial management reviews, monitoring implementation, and policy dialogue.

Beginning prior to signature of the Program Agreement, and continuing throughout the life of the Program (LOP), PREP's Program Manager will develop a list of private local firms with capabilities germane to Program implementation and Program impact assessment. This list will include firms with capabilities in monitoring system design and evaluation, data collection, statistics, sociology, and commodity management.

The USAID/Ghana Controller will be responsible for 1) ensuring dollars are deposited to the BOG account in New York; 2) comparing expected and actual generations of local currency (LC) and reconciling them with GOG financial records; 3) monitoring disbursement of LC funds to the MOE account; and 4) ensuring that LC allocation and use as described in the quarterly MFEP reports are consistent with LC programming agreements. The USAID/Ghana Executive Officer will recruit and negotiate the contract with a local accounting firm for financial assessments and financial management reviews. Services currently expected to be required from A.I.D.'s Regional Economic Development Services Office (REDSO/WCA) include legal and contracting services.

4.7 DONOR COORDINATION

Coordination of PREP activities with other donors involved in education in Ghana, especially the World Bank (IBRD), has and will continue to strengthen policy dialogue, better focus development assistance, and stretch the impact of Program resources. Coordination between USAID and IBRD on education sector reforms has been ongoing since April 1989 and on local currency programming since PREP design. Both will continue throughout the LOP.

The International Economic Relations Division (IERD) of the Ministry of Finance and Economic Planning (MFEP) is responsible for overall donor coordination in Ghana. Education sector coordination has, however, been carried out by the office of the Deputy Secretary for Schools with much formal contact with the Ministry of Finance and Economic Planning and the Provisional National Defence Council (PNDC). At the same time the office of the Deputy Secretary maintains ongoing liaison with the National Planning Committee for School Reform (NPCSR).

All major donor support to Ghana's education sector is complementary to and has been coordinated through the EDSAC Program, a factor which has greatly simplified the need for multi-donor coordination on the part of the GOG. With the exception of Great Britain and Canada, which have in-country staff to monitor their programs, donors to date have left monitoring, evaluation, coordination and GOG dialogue to IBRD.

PREP parallels but is independent from the EDSAC program, and as such it will be independently managed and monitored. The two programs are closely integrated, however, and there is a need to maximize their synergistic effect at the same time that the MOE management burden is minimized. To this end, three discrete mechanisms for coordination of the PREP and EDSAC programs have been established. First, because both programs are managed on the part of the GOG through the MOE Project Management Unit (PMU), the PMU will take primary responsibility for donor coordination. The PMU will establish a mechanism for formal and/or informal monthly donor meetings, as necessary, and will also convene a semi-annual progress meeting to which all interested donors and key individuals will be invited.

The second mechanism for donor coordination will be an annual meeting convened by the PMU for the purpose of reviewing progress towards meeting conditions precedent to disbursement of tranched funds. Attendance at these meetings will be limited to AID, IBRD and the MOE. Complementary to this, efforts will be made to hold actual tranche reviews concurrently to reduce the substantial burden on the GOG which these reviews entail.

The third mechanism for donor coordination will involve frequent informal collaboration between USAID/Ghana and the IBRD Office in Accra, which began in April 1989. Both IBRD and USAID now have full time education officers in Ghana who have worked closely together since the inception of PREP design.

63

4.8 WAIVERS

An exception and an exemption will be required for PREP. The first is an exemption from the requirements of Section 592(b) of the 1990 Appropriations Act related to planned uses of dollars for the cash disbursing non-project sector assistance portion of PREP. This issue is discussed in Sct. 4.3.3, and a request and justification for this waiver is attached as Annex M. The second is an exception of A.I.D.'s policy requiring that dollars be exchanged at the highest rate not unlawful in a country. The justification for this exception is found in Section II.I. of the Action Memorandum for the Assistant Administrator.

4.9 GRAY AMENDMENT CONSIDERATIONS

USAID/Ghana is committed to increasing the access of Gray Amendment entities to Mission program activities, and will use a small business, minority-owned (8a) firm to provide the long-term technical assistance (TA), short-term TA and training services required during PREP implementation. This contract will be established by the Small Business Administration in A.I.D./Washington. The total estimated value of this contract, funded under the projectized portion of PREP, is US$ 2,222,600 or 74% of total projectized funding.

64

TABLE 4-1

IMPLEMENTATION SCHEDULE

Implementation Month	Date	Action	Responsible Party
		YEAR ONE	
0	7/90	Program Agreement Signed.	USAID/G, GOG
1	8/90	List of private Ghanaian firms with capabilities germane to implementation and impact monitoring compiled.	USAID/G
		SOW finalized for PREP Assistant Program Manager.	USAID/G
2	9/90	Evidence submitted for meeting T-1 CPs.	GOG
3	10/90	Disbursement PIL approved, sent.	USAID/G, REDSO
4	11/90	Tranche 1 disbursed.	AID/W
5	12/90	USAID approves T-1 LC Use Plan by PIL.	USAID/G
6	1/91	First Financial Management Review.	USAID/G
7	2/91	PMU Donor Coordination Meeting.	MOE, USAID/G, IBRD, Donors
		LC Expenditure and Accounting (E&A) Report submitted	MFEP, MOE
8	3/91	Equity Improvement Alternatives Assessment drafted.	MOE
9	4/91		
10	5/91	LC E&A Report.	MFEP, MOE
11	6/91	PMU Pre-tranche review.	MOE, USAID/G, IBRD
12	7/91	First Financial Assessment.	USAID/G
		YEAR TWO	
13	8/91	IBRD Annual Tranche Review.	IBRD, GOG USAID/G
		LC E&A Report.	MFEP, MOE
14	9/91	PREP Annual Tranche Review.	USAID/G, GOG IBRD
15	10/91	Disbursement PIL approved, sent.	USAID/G, REDSO
		Informal T-2 LC programming meeting.	MFEP, MOE, USAID/G
16	11/91	Tranche 2 disbursed.	AID/W
		T-2 LC Use Plan; E&A Report.	MFEP, MOE
17	12/91	USAID approves T-2 LC Use Plan by PIL.	USAID/G
18	1/92	Second Financial Management Review.	USAID/G
19	2/92	PMU Donor Coordination Meeting.	MOE, USAID/G, IBRD, Donors
		T-2 dollar liquidation deadline.	BOG, MFEP
		LC E&A Report.	MFEP, MOE

TABLE 4-1

IMPLEMENTATION SCHEDULE
(Page 2)

Implementation Month	Date	Action	Responsible Party
20	3/92		
21	4/92		
22	5/92	LC E&A Report.	MFEP, MOE
23	6/92	PMU Pre-tranche Review.	MOE, USAID/G, IBRD
24	7/92	Second Financial Assessment.	USAID/G
		YEAR THREE	
25	8/92	IBRD Annual Tranche Review.	IBRD, GOG USAID/G
		LC E&A Report.	MFEP, MOE
26	9/92	PREP Annual Tranche Review.	USAID/G, GOG
27	10/92	Disbursement PIL approved, sent.	USAID/G, REDSO
28	11/92	Tranche 3 disbursed.	AID/W
		T-3 LC Use Plan and E&A Report sent to USAID.	MFEP, MOE
29	12/92	USAID approves T-3 LC Use Plan by PIL.	USAID/G
30	1/93	Third Financial Management Review.	USAID/G
31	2/93	PMU Donor Coordination Meeting.	MOE, USAID/G, IBRD, Donors
		T-3 dollar liquidation deadline.	BOG, MFEP
		LC E&A Report	MFEP, MOE
32	3/93	SOWs for mid-term Evaluation completed; evaluation arrangements finalized.	USAID/G, AID/W
33	4/93		
34	5/93	LC E&A Report.	MFEP, MOE
35	6/93	Mid-term Evaluation.	USAID/G, MOE
		PMU Pre-tranche review.	MOE, USAID/G, IBRD
36	7/93	Third Financial Assessment.	USAID/G
37	8/93	IBRD Annual Tranche Review.	IBRD, GOG USAID/G
		LC E&A Report.	MFEP, MOE
38	9/93	PREP Annual Tranche Review.	USAID/G, GOG
39	10/93	Disbursement PIL approved, sent.	USAID/G, REDSO
40	11/93	T-4 disbursed.	AID/W
		T-4 LC Use Plan and E&A Report sent to USAID.	MFEP, MOE
41	12/93	USAID approves T-4 LC Use Plan by PIL.	USAID/G
42	1/94	Fourth Financial Management Review.	USAID/G

TABLE 4-1

IMPLEMENTATION SCHEDULE
(Page 3)

Implementation Month	Date	Action	Responsible Party
43	2/94	PMU Donor Coordination Meeting.	MOE, USAID/G, IBRD, Donors
		T-4 dollar liquidation deadline.	BOG, MFEP
		LC E&A Report	MFEP, MOE
44	3/94		
45	4/94		
		YEAR FOUR	
46	5/94	LC E&A Report.	MFEP, MOE
47	6/94	PMU Pre-tranche Review.	MOE, USAID/G, IBRD
48	7/94	Fourth Financial Assessment.	USAID/G
		YEAR FIVE	
49	8/94	IBRD Annual Tranche Review.	IBRD, GOG, USAID/G
		LC E&A Report	MFEP, MOE
50	9/94	PREP Annual Tranche Review.	USAID/G, GOG
51	10/94	Disbursement PIL approved, sent.	USAID/G, REDSO
52	11/94	T-5 disbursed.	AID/W
		T-5 LC Use Plan and E&A Report sent to USAID.	MFEP, MOE
53	12/94	USAID approves T-5 LC Use Plan by PIL.	USAID/G
54	1/95	Fifth Financial Management Review.	USAID/G
55	2/95	PMU Donor Coordination Meeting.	MOE, USAID/G, IBRD, Donors
		T-5 dollar liquidation deadline.	BOG, MFEP
		LC E&A Report	MFEP, MOE
		SOWs finalized for EOP Evaluation; arrangements for evaluation finalized.	USAID/G, AID/W
56	3/95		
57	4/95	EOP Evaluation	USAID/G, MOE, AID/W
58	5/95	LC E&A Report.	MFEP, MOE
59	6/95		
60	7/95	Program Activity Completion Date.	USAID/G
61	8/95	LC E&A Report	MFEP, MOE
62	9/95		
63	10/95		
64	11/95	LC E&A Report	MFEP, MOE

TABLE 4-1

IMPLEMENTATION SCHEDULE
(Page 4)

Implementation Month	Date	Action	Responsible Party
65	12/95		
66	1/96		
67	2/96	LC E&A Report.	MFEP, MOE
68	3/96		
69	4/96		
70	5/96	LC E&A Report.	MFEP, MOE
71	6/96		
72	7/96	PREP-generated LC disbursed.	MOE

5.0 DEVELOPMENT FUND FOR AFRICA (DFA) PROCUREMENT PLAN

5.1 OVERVIEW

PREP is financed 100% from the Development Fund for Africa (DFA) Appropriations account, and all procurement will be conducted following the procurement guidelines for activities financed under the DFA. Accordingly, PREP will to the extent practicable procure goods and services of U.S. origin and from U.S. sources.

5.2 LOCAL CURRENCY PROCUREMENT

All goods and services procured with funds from the program component of PREP will be procured by the MOE. Responsibility for procurement of materials, textbooks, supplies and equipment was formerly spread among several divisions of the GES. This led to duplication of payment, purchase of unnecessary items, and lack of consistency among purchasing agents in use of procurement procedures. It also made procurement almost impossible to monitor. According to IBRD, the PMU has recently procured items for as little as one-third the price formerly paid for similar items by the GES. The success of the PMU procurement model led the GOG to set up a single MOE procurement system based on procedures now followed by the PMU. This new procurement unit will handle most procurement done centrally for GES institutions, which should significantly increase cost savings, improve enforcement of standards for provision of supplies, and eventually permit development of an effective storage and distribution system.

MOE procurement for EDSAC II goods and services will be according to guidelines outlined in the IBRD-MOE project agreement. For civil works contracts, international competitive bid procedures (ICB) are used for contracts over US$ 500,000, local competitive bid procedures (LCB) for contracts between US$ 50-500,000, and shopping or direct contracting procedures (S/DC) with a minimum of three bids for contracts under US$ 50,000. For equipment, contracts over US$ 200,000 use ICB, between US$ 50-500,000 LCB, and under US$ 50,00 S/DC. For printing, contracts over US$ 100,000 use ICB, between US$ 30-100,000 LCB, and under US$ 30,000 S/DC. TA is procured in accordance with IBRD guidelines, and all allowances, training costs of teachers and other related recurrent costs are paid in accordance with normal GOG procedures.

It is anticipated that the MOE will use the same or similar procurement procedures for goods and services procured with local currency designated for primary education generated by PREP as it does with that generated by IBRDs. There exists, however, a National Procurement Committee established to review contract tenders.

5.3 PROJECT PROCUREMENT

Only TA, training, and services for evaluations, financial assessments and financial management reviews will be procured under the projectized component of PREP. USAID/Ghana, with the assistance of AID/Washington (SER/OP/TRANS), will nonetheless make every effort to ensure that any commodities procured and shipped by AID contractors under the projectized component are shipped on U.S. flag carriers in compliance with the U.S. Cargo Preference Act. The PREP Program Manager will maintain records of all procurement under the projectized component by AID Geographic code, and will report this information annually to the AID/W Africa Bureau Office of Project Development. A summary of procurement for the projectized component of PREP by item, quantity, budget and probable source is found as Table 5-1.

TABLE 5-1

PROJECT PROCUREMENT PLAN

Item	Quantity	Budget (US Dollars)	Probable Source
USAID Procurement			
Institutional Contract	1	$2,222,600	U.S.
Evaluations	2	206,000	U.S./Local
Financial Assessments	4	76,700	Local
Financial Mgt. Reviews	5	137,700	Local
Institutional Contractor			
Long-term TA	57 p-m	1,171,000	U.S.
Short-term TA	15 p-m	366,300	U.S.
Short-term TA	18 p-m	74,800	Local
Training	35 p-m	427,400	U.S.
Training	30 p-m	183,100	Local
ABEL Project			
Short-term TA	15 p-m	366,300	U.S.
Short-term TA	16 p-m	66,800	Local

USAID/Ghana will procure the services of an institutional contractor, the services required to conduct the mid-term and EOP evaluations, and the services required to conduct annual financial assessments and financial management reviews. The services of the U.S. institutional contractor will be procured using 8(a) selection procedures. The SOW and PIO/T will be prepared by USAID/Ghana and submitted to AID/Washington, who will undertake in conjunction with the Small Business Administration (SBA) the procurement of the desired services.

70

Services for undertaking the evaluations described in Sct. 8.1 are expected to be obtained from GOG, AID and private sector sources. Funds have been earmarked in order to procure the necessary services from the private sector. These are expected to include the financial analyst and, to the extent not available from other sources, the education policy specialist, sociologist and monitoring and evaluation specialist.

Services for conducting the four annual financial assessments and five annual financial management reviews will be procured locally by USAID/Ghana using standard Agency solicitation and cost-evaluation procedures. Scopes of work for the institutional contractor, key personnel to be obtained through the Advancing Basic Education and Literacy (ABEL) Project buy-in, and financial assessment and financial management review services are attached as Annex J.

Responsibilities to be executed by the institutional contractor include provision of long-term technical assistance (TA), short-term TA and training. Long-term TA (57 person-months) will be of U.S. origin, and short-term TA will be of both U.S. (15 person-months) and Ghanaian (18 person-months) origin depending upon the specific qualifications required. To the maximum extent practicable, Ghanaian personnel will be used to fulfill short term technical assistance needs. Training (65 person-months) will be conducted in the U.S. (35 person-months), and at local or regional training institutions or in other developing countries (30 person-months). Most training will be of a specialized nature, designed for the specific needs of specific upper level MOE management and technical personnel.

Thirty-one person-months of short-term TA services will be obtained through a buy-in to the Advancing Basic Education and Literacy (ABEL) Project, a centrally funded AID project administered in AID/Washington. Short-term TA will be of both U.S. (15 person-months) and Ghanaian (16 person-months) origin. Again, to the maximum extent practicable, Ghanaian personnel will be used to fulfill short term TA needs. PREP's Program Manager will be responsible for preparing the PIO/Ts required to buy in to ABEL for acquisition of short-term TA services.

6.0 FINANCIAL ANALYSIS

6.1 COST ESTIMATES AND METHODS OF IMPLEMENTATION AND FINANCING

Detailed costs estimates for the projectized component of PREP are presented in Table 6-1. Summary cost estimates and financial planning data are presented in Table 6-2, and a projection of expenditures by fiscal year in Table 6-3. The total estimated cost of the project component is US$ 3.0 million. Of this, $1.171 million or 39.0% is for long-term TA; $0.874 million or 29.1% is for short-term TA; $0.611 million or 20.4% is for training; and $0.344 million or 11.5% is for evaluations, financial assessments and financial management reviews (FMRs).

Methods of implementation and financing are presented in Table 6-4. The method of financing for A.I.D. funds expended for the institutional contract, the ABEL buy-in, financial assessments and FMRs will be direct payment. The method of financing for policy and institutional reform will be via electronic transfer.

6.2 HOST COUNTRY CONTRIBUTION

The GOG contribution to the Program will consist of the cedi equivalent of US$ 32.0 million. In addition, the GOG contribution will include expenditures for the salaries of MOE and other GOG personnel, as well as in-kind contributions including office space and supplies in support of Program objectives. A summary of the direct estimated GOG contribution by fiscal year is shown in Table 6-5.

6.3 OBLIGATION SCHEDULE

An illustrative PREP obligation schedule is presented in Table 6-6. USAID/Ghana has an approved FY90 operating year budget (OYB) of US$ 15.0 million, and PREP was included in the FY91 Annual Budget Submission at a level of US$ 20.0 million. At the time of PAAD design, USAID anticipated obligating US$ 8.361 million for PREP in FY90, US$ 4.000 million in FY91, US$ 9.6 million in FY92, US$ 8.0 million in FY93, and US$ 5.0 million in FY94.

Table 6-1

DETAILED COST ESTIMATES
GHANA PRIMARY EDUCATION PROGRAM: PROJECTIZED COMPONENT

MACS ELEMENT	COST BREAKDOWN (1990 COSTS)	Total Cost (US$)	Annual Breakdown (US$ 1000's) Year 1	Year 2	Year 3	Year 4	Year 5
1.	IMPLEMENTATION (8(a) Set-aside)						
1A.	Long-Term Technical Assistance						
	$200,000/year x 4.75 yrs	1,171,000	150.0	220.0	242.0	266.2	292.8
	Subtotal:	1,171,000	150.0	220.0	242.0	266.2	292.8
1B.	Short-Term Technical Assistance						
	Offshore: 3 p-m/yr @ $20,000 x 5 years	366,300	60.0	66.0	72.6	79.9	87.8
	Onshore: (4/3/4/3/4 p-m/yr) @ $3400/	74,800	13.6	11.2	16.5	13.6	19.9
	Subtotal:	441,100	73.6	77.2	89.1	93.5	107.7
1C.	Short-Term Training						
	Onshore: 6 p-m/yr @ US$ 5000/ x 5 yrs	183,100	30.0	33.0	36.3	39.9	43.9
	Offshore: 7 p-m/yr @ US$ 10000/ x 5 yrs	427,400	70.0	77.0	84.7	93.2	102.5
	Subtotal:	610,500	100.0	110.0	121.0	133.1	146.4
	SUBTOTAL, IMPLEMENTATION:	$2,222,600	323.6	407.2	452.1	492.8	546.9
2.	PEOPLE-LEVEL IMPACT ASSESSMENT (ABEL Project Buy-In)						
	Short-Term Technical Assistance						
	Offshore: 3 p-m/yr @ $20,000 x 5 years	366,300	60.0	66.0	72.6	79.9	87.8
	Onshore: (3/3/3/4/3 p-m/yr) @ $3400/	66,800	10.2	11.2	12.3	18.1	15.0
	SUBTOTAL, PEOPLE-LEVEL IMPACT ASSESSMENT:	433,100	70.2	77.2	84.9	98.0	102.8

Table 6-1

DETAILED COST ESTIMATES
GHANA PRIMARY EDUCATION PROGRAM: PROJECTIZED COMPONENT

MACS ELEMENT COST BREAKDOWN (1990 COSTS)	Total Cost (US$)	Annual Breakdown (US$ 1000's) Year 1	Year 2	Year 3	Year 4	Year 5
3. EVALUATIONS (USAID-managed)						
Mid-term x 1 x 1 month x 4 persons @$20,000/	96,800	0.0	0.0	96.8	0.0	0.0
EOP x 1 x 1 month x 3 persons @ $25,000/	109,800	0.0	0.0	0.0	0.0	109.8
SUBTOTAL, EVALUATIONS:	206.600	0.0	0.0	96.8	0.0	109.8
4. FINANCIAL MANAGEMENT SERVICES (USAID-managed)						
Annual FMAs x 4 @ $15,000/	76,700	0.0	16.5	18.2	20.0	22.0
Annual FMRs x 5 @ $10,000/	61,000	10.0	11.0	12.1	13.3	14.6
SUBTOTAL, FM SERVICES	137,700	10.0	27.5	30.3	33.3	36.6
GRAND TOTAL	$3,000,000	403.8	511.9	664.1	624.0	796.2

Note: All costs are based on 1990 estimates and are in 1990 dollars. Inflation calculated at 10% per year compounded annually.

TABLE 6-2

SUMMARY COST ESTIMATES AND FINANCIAL PLAN
(US$ 000's)

Element/Subelement	A.I.D. FX	A.I.D. LC	Host Country FX	Host Country LC	TOTAL
1. IMPLEMENTATION					
1A. Long-Term TA	1171.0				1171.0
1B. Short-Term TA	366.3	74.8			441.1
1C. Training	427.4	183.1			610.5
Subtotal:	1964.7	257.9			2222.6
2. PEOPLE-LEVEL IMPACT ASSESSMENT	366.3	66.8			433.1
Subtotal:	366.3	66.8			433.1
3. EVALUATIONS	206.6				206.6
Subtotal:	206.6				206.6
4. FINANCIAL MANAGEMENT SERVICES		137.7			137.7
Subtotal:		137.7			137.7
5. POLICY AND INSTITUTIONAL REFORM				32000.0	32000.0
Subtotal:	32000.0			32000.0	32000.0
GRAND TOTAL:	34537.6	462.4		32000.0	67000.0

TABLE 6-3

PROJECTION OF EXPENDITURES BY FISCAL YEAR
(1000s of US$)

Fiscal Year	A.I.D. Grant	Host Country	Total
1991	403.8	4000	4403.8
1992	511.9	7000	7511.9
1993	664.1	8000	8664.1
1994	624.0	8000	8624.0
1995	796.2	5000	5796.2
TOTAL:	3000.0	32000.0	35000.0

TABLE 6-4

METHODS OF IMPLEMENTATION AND FINANCING
A.I.D. INPUTS
(US$ 000's)

Element	Description	Method of Implementation	Method of Financing	Amount AID	Amount HC	Amount Other
1.	Implementation Contract	8(a) Contract	Direct Payment	2222.6	0.0	0.0
2.	People-Level Impact Assessment	ABEL Buy-In	Direct Payment	433.1	0.0	0.0
3.	Evaluations	AID Direct Procurement	Direct Payment	206.6	0.0	0.0
4.	Financial Management Services	AID Direct Procurement	Direct Payment	137.7	0.0	0.0
5.	Policy and Institutional Reform	Non-project Sector Assistance Cash Transfer	Direct Payment	32000.0	0.0	0.0
			GRAND TOTAL:	35000.0	0.0	0.0

TABLE 6-5

SUMMARY OF DIRECT ESTIMATED GOG CONTRIBUTION TO PREP
(US$ 1000s in LC equivalent)

Year	U.S. Dollar Equivalent
1990	4000
1991	7000
1992	8000
1993	8000
1994	5000
TOTAL:	32000

Note: Additional GOG contributions, including expenditures for personnel salaries of MOE and other GOG personnel and in-kind contributions including office space and supplies are not included (See Sct. 6.2).

TABLE 6-6

ILLUSTRATIVE OBLIGATION SCHEDULE, PREP PROGRAM
(US$ 1000s or US$ 1000s cedi equivalent)

	Fiscal Year					
Activity	90	91	92	93	94	Total
Programmatic Component (US$ 1000s cedi equivalent)						
Subtotal	4000	7000	8000	8000	5000	32000
Projectized Component (US$ 1000s)						
Subtotal	560	1440	500	500	0	3000
TOTAL	4560	8440	8500	8500	5000	35000

7.0 MONITORING AND IMPACT ASSESSMENT PLAN

Two discrete types of Program monitoring and impact assessment will occur during implementation: 1) implementation monitoring, including tracking of Ministry of Education (MOE) progress in meeting conditions precedent (CPs); and 2) impact assessment, including quantitative assessment of institutional and people level impact (PLI) and attainment of Equity Improvement Program (EIP) objectives. A PREP Monitoring Plan is attached as Annex I.

7.1 IMPLEMENTATION MONITORING

The nature of PREP and the policy and institutional reforms undertaken dictate that careful monitoring of MOE progress towards meeting CPs occur during Program implementation. Implementation monitoring will be a direct and ongoing responsibility of the MOE Project Management Unit (PMU). This will be supplemented by annual financial assessments and financial management reviews (FMRs) conducted by an independent local financial accounting firm to provide objective, third party status reports on GOG progress towards meeting budget and disbursement CPs. PREP's Program Manager and Assistant Program Manager will also monitor implementation progress through monthly personal communications with the PMU and written communications as necessary. Local currency monitoring is described in Sct. 4.4.4.

7.2 IMPACT ASSESSMENT

A detailed PREP Monitoring Plan was prepared during PAAD design (Annex I). Two categories of PREP impact will be assessed, institutional impact and people level impact (PLI). Impact assessment functions will be institutionalized within the MOE because the Ministry views impact assessment and education performance monitoring as critical components of Ghana's educational reform program. With technical assistance (TA) funded from the projectized portion of PREP, the MOE/PMU will therefore collect and analyze the statistical and other information required to objectively establish changes in target indicators and to establish plausible attribution of impact to PREP. All appropriate data collected and analyzed will be gender- and geographically-disaggregated.

PREP is designed to strengthen the institutional and policy framework from which significantly improved primary education quality, access, equity and financial sustainability will evolve in the mid term. As such, most Program impact is likely to be fully measurable only in the 7-10 year time frame. PREP will therefore obtain those data necessary to monitor impact after the end of the Program (EOP), as well as those data required to track progress in meeting Program performance targets during the life of the Program (LOP). A tremendous amount of data has already been collected by the Ghana Living Standards Survey (GLSS), the MOE Planning, Budgeting, Monitoring and Evaluation (PBME) Unit and the PMU, and to the extent practicable those data and the mechanisms employed for collecting and analyzing them will be retained in the design of the PREP PLI monitoring program.

79X

7.2.1 Institutional Impact

Objectively verifiable indicators of PREP performance in achieving purpose-level institutional impact relate to: 1) decentralization; 2) increased proportional expenditures for primary education; 3) increased proportional expenditures for teaching materials; and 4) strengthened planning, management and supervision systems. Indicators of PREP performance in achieving goal-level institutional impact relate to: 1) MOE funding 100% of the recurrent costs of the "design case" education system from it's own recurrent budget; and 2) a 40:1 student:teacher ratio.

The PMU will assess the impact of these six key policy and institutional reforms. Decentralization impact will be assessed through district-level supervisor reports and site visits to validate increased authority, responsibility and decision-making occurring at the district level. The impact of MOE increasing proportional expenditures for primary education will be assessed by monitoring annual budget and expenditure data, and the resulting distribution of increased financial resources within the primary education system. The impact of MOE increasing the proportion of its budget expended on teaching materials will be assessed by monitoring the increased materials flows to primary schools as a result of those increases through contractual documentation. The impact of MOE funding 100% of the recurrent costs of the primary education system from it's own recurrent budget will be assessed as a function of declining need for donor inputs to the primary education system. The impact of improved system planning, management and supervision functions will be monitored by assessing change in internal MOE financial efficiencies, and through district-level supervisor reports and site visits to validate improved system functioning at the field level. Finally, student:teacher ratios are an indicator of system efficiency and will be monitored through MOE enrollment and employment records.

7.2.2 People Level Impact

Objectively verifiable indicators (OVIs) of PREP performance in achieving people level impact (PLI) objectives by 1995 are: 1) 90% of primary schools having qualified teachers; 2) 90% of primary schools having basic teaching materials; 3) measurable equity improvement; and 4) measurably increased student achievement. OVIs of PREP performance in achieving goal-level (year 2000) PLI objectives are: 1) 80% of eligible children nationwide enrolled in primary school; 2) 80% of children nationwide entering primary school graduating from primary school; 3) 80% of primary school graduates meeting the criteria established in reading, writing and arithmetic; 4) 50% increase in gross and female enrollment in areas targeted by PREP's Equity Improvement Program (EIP); and 5) a 25% increase in gross and female retention in EIP target areas.

The PMU will measure PREP's people level impact over the life of the Program (LOP) and beyond using six basic indicators. Enrollment and retention indicators are already collected at the school level and will be used to monitor increases, gender- and geographically disaggregated-, on an annual basis. Testing will be monitored through criterion-

referenced tests (CRTs) developed, approved, and administered on a pilot basis by the MOE during the 1991-2 school year, and annually thereafter. Tranche 4 conditionality requires that at a minimum, CRTs have been administered to 80% of Grade 6 students. It is expected that by the EOP, there will be four years of student achievement testing data collected, both during pilot administration in the 1991-2 school year and to increasing numbers of students and grade levels thereafter. These data should at a minimum suggest a trend in student achievement by the EOP to be expected to continue through the year 2000 as a result of PREP activities. Other indicators of PLI are teacher attendance, teacher qualifications, and materials availability. Teacher attendance records and materials availability will be monitored by the PMU through district-level reports which collate data gathered at the circuit level. Teacher qualifications will be monitored through MOE personnel and training records.

The PLI monitoring program will involve detailed system design and testing in Year 1, particularly with respect to measuring the impact of the EIP. Design and implementation of the program will require the expertise of both Ghanaian and expatriate technical assistance (TA). Ghanaian TA will be required because of clear ability, capacity and a unique knowledge of the Ghanaian social, economic and institutional environment within which the Program will function. Expatriate TA will be required to supplement Ghanaian technical expertise in specific areas for which a need is demonstrated, and to complement the Ghanaian national perspective with the perspective of comparative international experience in education sector assistance.

Special studies related to the PLI monitoring program will include 1) analysis of the relationship between income and education levels in the agricultural and informal sectors; and 2) assessment of the PMU's data collection and analysis system with special emphasis on computerization. Additional studies are expected to be defined during implementation.

8.0 EVALUATION PLAN

8.1 EVALUATIONS

An external mid-term evaluation is scheduled for June 1993. The mid-term evaluation will evaluate progress towards achievement of Program output-level objectives, with special emphases on policy and institutional reform, staff training, equity improvement, the PLI monitoring program and financial sustainability. The mid-term evaluation will fully evaluate PMU progress towards assessing PREP institutional impact and people level impact. It is anticipated that in addition to one or more Ministry of Education (MOE) representatives, the mid-term evaluation will include a Financial Analyst, Education Policy Specialist, Sociologist, and Monitoring and Evaluation Specialist.

An external end of Program (EOP) evaluation is scheduled for April 1995. The EOP evaluation will evaluate progress towards achievement of Program purpose-level objectives with special emphasis on the policy and institutional reforms accomplished during the life of the Program (LOP), and the quality of data collected by and methods to ensure post-EOP continuity of the PREP monitoring and evaluation program.

8.2 FINANCIAL ASSESSMENTS AND FINANCIAL MANAGEMENT REVIEWS

Annual financial assessments will be conducted by an independent local accounting firm during Years 2-5 inclusive of the Program, funded from PREP's projectized component. These are tentatively scheduled to occur one to two months prior to annual tranche review, in July 1991, 1992, 1993 and 1994. Financial assessments will 1) assess MOE recurrent budget and expenditure figures for the previous GOG fiscal year to assess progress towards meeting financial conditions precedent (CPs) to disbursement; 2) review criteria for establishing proration of MOE budget headings and subheadings and evaluate their continued validity given previous year budgeting and expenditure figures; and 3) review the GOG's programming expenditure of local currency.

Financial assessments will be professionally executed according to generally accepted standards that have been prescribed by Ghanaian law, or that have been adopted by public accountants or associations of public accountants in Ghana, together with generally accepted international standards, where feasible. Annual financial assessment reports will include a separate paragraph with an opinion regarding withdrawals and expenditures. A scope of work for the annual financial assessments and financial management reviews is found in Annex J.

Annual financial assessments will be supplemented by annual financial management reviews (FMRs) conducted by an independent accounting firm during Years 1-5 inclusive of the Program. Also funded from the projectized component funds, FMRs are scheduled for January 1991, 1992, 1993, 1994 and 1995. The principal purpose of the annual FMRs is to pre-assess MOE progress in meeting financial CPs to disbursement and to provide a status review of local currency (LC) programming, budget and expenditure data.

9.0 FEASIBILITY ANALYSES

9.1 ECONOMIC FEASIBILITY AND SUSTAINABILITY

An Economic Analysis of PREP prepared in May 1990 (Annex F) included an assessment of the macroeconomic impact of the Program, an assessment of the mid-term economic sustainability of PREP given a "design case" primary education system, and an assessment of Program rates of return. These are summarized below, along with a summary of the MOE financing gap in the overall education sector.

9.1.1 MOE Financing Gap

The World Bank (IBRD; 1990) estimates the MOE financing gap for the 1990-93 period at US$ 88.1 million, including PREP inputs (Table 9-1). Financing costs are high because 1) there is a need to improve funding for non-salary recurrent expenditures; 2) the GOG policy of raising salaries for upper-level civil servants, including teachers, will increase spending on personal emoluments in spite of a freeze on total GES staffing levels; 3) transition between the old and new systems requires running both types of classes simultaneously; 4) there is a need for additional capital expenditures to construct new classrooms and purchase equipment; 5) there is a need for ongoing maintenance and rehabilitation of critical facilities; and 6) implementation of the new system requires extensive in-service teacher training and curriculum development.

The financing gap is highest in 1992-93 when secondary enrollments are pushed up by the impact of the nearly full introduction of the new Senior Secondary Schools (SSSs) and while phasing out of the previous system is still in progress. Based on IBRD projects, by 1993-94, once the new SSS structure is in place, the GOG would be able to fund anticipated costs from its own resources. The projected financing gap is expected to be met largely by IBRD at a level of US$ 50.0 million, with proceeds from the credit providing budgetary support to the MOE for three years. The balance of the gap is expected to be provided by other international donors; coverage of this remaining financing gap was being firmed up at the time of PAAD design.

9.1.2 Macroeconomic Impact

The A.I.D. Executive Committee for Project Review (ECPR) noted that PREP-generated local currency (LC) represents a significant proportion of the total GOG public budget. The US$ 32.0 million in LC equivalent generated by PREP converts to approximately cedis (C) 11.2 billion at the May 1990 auction rate. Ghana's GDP is projected at about C 1,567.3 billion for 1990; GOG public expenditure has been about 14% of GDP, and at this level GOG expenditures would be about C 219 billion in 1990. PREP outlays would therefore average about 1% of GOG expenditures per year over the LOP.

73

TABLE 9-1

ESTIMATED EDUCATION SECTOR FINANCING GAP
(millions of current cedis)

Estimates	School Year 1990-91	1991-92	1992-93	Total	Post-Project (1993-1996)
Cost to GOG With Reform	80,808	96,584	109,413	286,805	344,564
Available GOG Resources	73,127	85.977	96,140	255,244	344,528
Financing Gap	7,681	10,607	13,273	31,561	=
Gap in Millions of Current US Dollars	21.8	29.5	36.8	88.1	

Source: IBRD (1990) estimates. Figures assume that GOG support to education will continue roughly at the current share of the budget. Budget scenario takes into account impact of the recent decline in cocoa prices and assumes continued tightening of fiscal policy. Estimate of GOG resources includes PREP input of US$ 35.0 million over five years.

The economic analysis found that the GOG has become a world class performer in terms of fiscal and monetary restraint. Since 1984, the GOG has run a surplus on current account and is now controlling interest rates by eliminating credit ceilings. In their place, open market operations will be used to soak up excess liquidity and, as the process unfolds, it is anticipated that real interest rates will become positive. Public saving in Ghana exceeded 5% of GDP for 1987 and 1988, and there was also a surplus on overall GOG account of 0.5% of GDP in 1987 and 1988. Given these surpluses, the question of a deficit on government account does not arise because the GOG is actually making payments into the domestic financial system. The fiscal system is, therefore, clearly non-inflationary. A continuing problem within the banking system, however, is excess reserves. This in part reflects ceilings on credit expansion on individual banks, and in part the presence of non-performing loans in bank portfolios.

The GOG took a major step towards establishing a domestic money market in 1987 with establishment of the Consolidated Discount House. In April 1990, the formation of a stock exchange was also announced which represents another step in institutionalizing the financial markets. None the less, the market for government securities remains largely underdeveloped.

The rate of increase in money supply (M2) has decreased somewhat since 1984 when it grew by 60%. Growth of M2 in 1988 was 43%, or 13% in real terms. It is noteworthy that net credit to the GOG has actually decreased by about 8% per year for the past several years. The GOG has an excellent record in making wage and salary payments on time; delays in honoring short term credits to foreign vendors has been rapidly shrinking, but timely payments to domestic firms remains a problem.

The International Monetary Fund (IMF) has played a significant role in the Ghanaian economy and in the GOG's Economic Reform Program (ERP). Debt to the fund in 1988 stood at US$ 737 million, with about 25% of this from IMF Trust Fund, Structural Adjustment Facility, and Economic Support Fund for Africa. Repayments to the Fund were US$ 277 million in 1988.

The distribution of GOG expenditures by economic classification are presented both as a share of total expenditures and as a share of GDP in Table 9-2. Capital and current expenditures account for 21% and 77%, respectively, of the GOG total. Emoluments are the largest item within recurrent expenditures. On the basis of functional classification of total GOG expenditures (Table 9-3), education is the largest item followed by general public services and economic services. Within economic services, roads are the largest item followed by agriculture. Actual GOG expenditures do not closely conform, however, to GOG budgets. In 1989, total expenditures were 5% less than the budget, although education expenditures were substantially above initial budget figures.

TABLE 9-2

CENTRAL GOVERNMENT EXPENDITURE BY ECONOMIC CLASSIFICATION (1988)

	Percent of Total Expenditure	Percent of GDP
Current Expenditure	77	10.5
Emoluments	(34)	4.7
Interest	(8)	0.8
Subsidies and Transfers	(10)	1.1
Other	(25)	2.7
Capital	21	2.8
Special Efficiency	2	0.3
Net Lending		0.6
TOTAL	100	14.2

Notes. "Capital" excludes capital expenditures financed by external project aid. "Special Efficiency" relates to redeployment and retrenchment.

TABLE 9-3

CENTRAL GOVERNMENT EXPENDITURE BY FUNCTIONAL CLASSIFICATION (1988)

	Percent of Total Expenditure	Percent of GDP
General Public Services	22	
Defense	3	
Education	26	3.5
Health	9	1.2
Social Security and Welfare	7	0.9
Housing	3	
Other Community	1	
Economic Services	18	2.4
Interest	2	1.1
Special Efficiency	2	0.3
TOTAL	100	13.6

9.1.3 Economic Sustainability

In order to conduct a sensitivity analysis of the sustainability of PREP interventions, and quantify shortfalls under different economic growth and sector allocation scenarios, it was first necessary to identify the key characteristics for the "design case" primary education system by which sustainability would be defined. This design case education system was defined during PAAD design as having the following characteristics: 1) primary education expenditures at 1989 levels; 2) 6% of the MOE recurrent budget expended on materials by the end of GOG fiscal year 1993; 3) a primary school student:teacher ratio of 40:1; 4) 80% of eligible children in school and 80% retention by the year 2000; 5) 90% of teachers trained by 1995; and 6) the MOE funding 100% of the recurrent costs of the design case from it's own resources without donor assistance.

The most optimistic economic growth and allocation scenario employed by the sensitivity analysis, consistent with IBRD projections, is 5% economic growth, an increasing share of GDP allocated to the education sector, and an increasing share of the MOE recurrent budget allocated to primary education. Under this scenario, spending on primary education would exceed design case requirements by 170%. A more realistic scenario is continued 5% growth, no increase in GDP allocation to education (estimated at 3.5%) and no increase in MOE allocations to primary education (estimated at 32.2%). Under this scenario, there would be a shortfall of funding for the design case education system by the year 2000 of only 2%, which could easily be made up by slight readjustments in

the MOE budget. Given a realistic worst case scenario of economic growth slowing to 3% per year, a stable GDP proportion to education, and a stable MOE proportion to primary education, there would be a shortfall of 26% by the year 2000. To meet this shortfall, major sectoral adjustments and a major MOE commitment to primary education would be required.

9.1.4 Rates of Return

The PREP economic analysis also conducted an internal rate of return for the Program. This analysis considered "benefits" to be the increased incomes resulting from more productive manpower, and "costs" to be the costs of education and the earnings forgone while the student is in school. The rate of return calculated the benefits as a per cent return on the costs, and considered only the social rate of return. Private rates of return after tax earnings, to which were added non-educational transfers such as boarding expenses provided by the GOG, were excluded as were all public expenditures.

The rate of return calculated for PREP was 26%. This calculation used the most conservative assumptions in all cases, and the rate of return to education should be considered as a lower limit with the actual rate undoubtedly higher. This rate compares well with other African countries and is higher than for countries at intermediate levels of development. The economic analysis found that the rate of return of PREP to primary education provides a strong supporting rationale for the Program, and that PREP will make a significant contribution to development and indirectly generate government revenue as students enter the labor force.

9.2 INSTITUTIONAL AND TECHNICAL FEASIBILITY

An Institutional and Technical Feasibility Analysis, prepared during PAAD design and addressing the key institutions involved in PREP implementation, is attached as Annex E and summarized below.

9.2.1 Bank of Ghana and the Foreign Exchange Regime

For more than 30 years, the Bank of Ghana (BOG) has been responsible for currency issuance and management, foreign exchange regulation and control, monetary and credit policies, bank supervision, and development and promotion of a healthy banking system. The major issue for PREP implementation vis-a-vis the BOG is the BOG's role, responsibilities and performance in three areas: 1) operation of the foreign exchange regime, particularly current efforts to liberalize the exchange regime by ensuring smooth functioning of the auction market; 2) increasing the role of commercial banks and other dealers in mobilization of foreign exchange, in part through foreign exchange or "forex" bureaus; and 3) reducing disparities between auction and parallel exchange rates.

With introduction of an auction system in 1986, the BOG's role in administration of the foreign exchange regime changed fundamentally. Auction volumes have increased significantly, and exchange is now

87

allocated via a weekly auction market. With the exception of special retention accounts and operations of the authorized bureaus, all foreign exchange earnings must be surrendered or sold to the BOG either directly or through commercial banks. The BOG then decides how much to channel back into the economy, taking into account special factors such as the needs of public entities, reserve management considerations, and funds made available through donors.

The auction system is supervised by a foreign exchange auction committee composed of representatives from the BOG, GOG ministries and the private sector. The committee determines eligibility and the marginal exchange rate at which the supply made available by the BOG satisfies the demand. Auction results are made available every Friday, showing the number of bidders, highest and lowest bids offered, the marginal rate, and total demand and supply available for the week. The information is made available to the public and submitted to the BOG Development Finance Unit (DFU). The DFU then matches the source currency with funds available, considering also donor restrictions on commodities and their source and content. Funds are then generally transferred directly to the foreign correspondent banks of the importer's local bank, at which time the local bank can then establish letters of credit (LOCs). Reporting and monitoring requirements are determined by the donors.

To date, donor experience with the auction has generally been satisfactory. The system has been efficiently and honestly conducted, and there appear to be no significant delays for larger importers obtaining access to the auction and obtaining LOCs. With elimination of most GOG eligibility restrictions, demand has grown rapidly. The auction rate has also increased substantially, from 128 cedis to the dollar in September 1986, to 211 in July 1988, to about 320 in May 1990.

The BOG regulates the activities of the Forex Bureaus to a much lesser extent. Regulations govern both authorized dealer banks that have traditionally dealt in service transfers with correspondent banks, as well as "bureaus de change" licenced to deal in the purchase and sale of select foreign currencies. Forex Bureaus register purchases and sales, but transactions are otherwise confidential. The purpose of the bureaus is to shut down black market activities and increase the flow of service transactions, while permitting access of small importers who find the auction process too cumbersome. As of April 1990, there was only an 11% difference between the auction rate and the parallel rate.

Since establishment of the auction in 1986, both IBRD and the IMF have strongly urged bilateral donors to follow their lead in using the auction and move increasingly toward quick disbursing forms of program assistance that can be channeled through the auction. The gradual convergence of rates in the last few years, including a rise in the auction/official rate, effective depreciation of the cedi, and further expansion of Forex operations, has laid the groundwork for further liberalization the trade regime and should eventually lead to full currency convertibility.

USAID/Ghana experience with the auction system under the Agricultural Productivity Promotion Program (APPP; 641-0117) has been good, and USAID proposes use of the auction with no restrictions on uses to facilitate LC generations under PREP with minimal delay.

9.2.2 Ministry of Finance and Economic Planning

MFEP is the lead ministry responsible for design and coordination of the ERP, and is responsible for management, coordination and/or oversight of all GOG macro level financial and economic planning affairs. Policies and programs are coordinated and in some instances implemented by MFEP, which controls economic policies and budgetary allocations through GOG policy papers, annual budgets, development plans and/or the three year rolling Public Investment Program. Headed by a Secretary, it has seven divisions: International Economic Relations, Manpower, Investment and Project Analysis, Planning and Research, Budget, General Administration, and Policy Analysis. Policies and programs may be initiated from within or outside MFEP, but in all cases they are coordinated with and in some instances implemented by MFEP.

The role of MFEP in PREP implementation is described in Sct. 4.6.1. No significant constraints to the ability of MFEP to perform this role were identified during PAAD design.

9.2.3 Ministry of Education

The MOE is responsible for the delivery of education services to all Ghanaians. It sets policy, implements programs through the Ghana Education Service (GES) and universities, and monitors and evaluates the formal system. The MOE is assisted by a National Education Commission in policy formulation, but in fact policy is formed through the interaction of the Provisional National Defence Council (PNDC), upper level civil servants and public opinion.

The Deputy Secretary for School Education. Basic education in Ghana falls under the Office of the Deputy Secretary for School Education. The GES is tasked to implement the MOE's educational programs and functions through the Deputy Secretary. The MOE Project Management Unit (PMU) was set up as a secretariat to coordinate and monitor EDSAC and is also under the supervision of the Deputy Secretary. The National Planning Committee for School Reforms (NPCSR) is the planning and advisory body to the MOE for school reform.

The Ghana Education Service. The Ghana Education Service was established in 1974 to facilitate implementation of the recommendations made under the reforms of 1974. Its main functions are 1) management, supervision and inspection of pre-university institutions; 2) registration, supervision and inspection of private schools; 3) provision of teacher, general, special technical and business education; 4) registration of teachers; 5) facilitation of the development and publication of text books; and 6) promotion of efficiency and the full development of its members.

There are four GES divisions that pertain to basic education. The Basic Education Division has a total professional staff of 13 out of an established level of 15, and is headed by an Acting Director with five Assistant Directors. All are experienced educators. This division is responsible for implementation of policies regarding curriculum and learning materials, and has been instrumental in implementing the GOG's

89

educational reform program. The director of this division is a member of the National Implementation Committee and has strong de facto linkages to the Under Secretary and the PMU.

The Teacher Education Division was established in 1980 to take responsibility for for pre-service and in-service teacher training. It ensures that Government policies on teacher education are implemented at the 38 Teacher Training Colleges (TTCs), and that appropriate in-service training occurs. This division has a professional staff of 10 out of an established level of 12), including a director and three assistants. The MOE recently announced a reorganization of higher education, placing the TTCs under the authority of the Deputy Secretary for Tertiary Education.

As part of the reform, the MOE has established a comprehensive in-service training system for Basic Education Teachers. In-service courses have been organized since 1986 for Junior Secondary School (JSS) teachers, JSS Heads, Primary School Heads, and JSS Technical teachers. There are also plans to organize in-service courses for all Primary School teachers.

The Manpower and Training Division is responsible for the collection and analysis of data pertaining to MOE manpower needs, including data on schools and students. The Division consists of 14 professionals out of an established level of 18, and is headed by a director with five assistants. Manpower is not, however, an effectively performing division. Characterized by disorganization, lack of an effective records management system, and general inertia, its director was recently replaced by an individual who seems to have a grasp of his unit's deficiencies. This division has been little used in the reform program.

The Inspectorate Division is tasked with ensuring acceptable performance standards in all pre-university educational institutions, public and private. The central office has a complement of 12 out of 14 professionals, including a Director and eight Assistants. The Division has dynamic and experienced leadership from the center, but it is faced with a large number of unfilled posts in the field and a lack of transportation negates the work of many experienced field people. The MOE has begun implementing a large scale reorganization of the inspectorate, linked to system decentralization. Inspectors, who will now be called circuit supervisors, will be assigned to circuits (a clustery of 20 schools per circuit supervisor; a total of 700 circuit supervisors to be assisted by monitoring assistants) and will work under the authority of the DEOs rather than the regional offices. Each circuit supervisor will be responsible for the supervision of teaching and learning domain.

The Project Management Unit (PMU). The PMU is the engine driving education sector reform in Ghana. With a dedicated and effective staff and a reputation as a "can-do," results-oriented organization, the PMU will be the MOE implementing unit for the PREP Program. The PMU was created to manage EDSAC and is directly under the control of the Deputy Secretary for School Education. Responsible for all EDSAC planning, management and monitoring, it has also taken over procurement, supply and logistics functions for basic education from GES but has contracted out the accounting and financial monitoring of EDSAC funds to a local accounting firm.

The PMU consists of a coordinator for school education, 29 professional staff, about 25 support staff and an educational advisor. Professional staff include project officers for procurement, disbursement, programs and logistics, coordinators for basic and second cycle institutions, and a budget officer, computer programmer, architect, accountant, civil engineer and construction estimator. Support staff include assistant project officers, project assistants and clerical personnel. All PMU staff are Ghanaians; about one fourth of the professionals are on long-term contract, and the others are seconded from other GES divisions. The PMU also contracts with local and foreign experts for short-term assignments.

Key PMU divisions from the PREP implementation perspective include the Procurement Division, responsible for commodity procurement, and the Logistics Division, responsible for commodity warehousing and distribution. Both have participated credibly in delivering EDSAC inputs. A PMU organigram is included in Annex E.

The National Planning Committee for School Reform (NPCSR). The NPCSR consists of 25 senior officials, educators and public figures, including Ghana National Association of Teachers representatives, the universities, the National Vocational Training Institute and the MOE. Created to assist with planning, implementation and monitoring of the reforms, it is an important conduit to public opinion. NPCSR coordinates the district committees overseeing the reforms, and has been instrumental in overcoming some initial reform opposition and in maintaining reform momentum. The Committee meets at least quarterly on "as needed" basis. Members provide technical input and advice, undertake field visits and report on the progress of reform implementation throughout Ghana.

General, District and Local Structures. There are ten Regional Education Offices in Ghana, each headed by a regional director, with structures similar to that of central headquarters. Regional officers deal directly with administrative matters concerning second cycle institutions and supervise activities of first cycle education through the District Education Offices (DEOs) headed by District Assistant Directors who are under the administrative control of the Regional Director. Between the DEOs and the schools are the circuit officers and supervisors which act principally as supervisors.

The MOE has plans to strengthen district level administration. Under this scheme, which is currently being vetted within the PNDC, authority and responsibility for inspection, supervision, evaluation, student welfare, fiscal affairs, and teacher training would devolve to the 110 District Education Directors (DEDs). Each DED would be assisted by four Assistant Directors, who in turn would be responsible for 1) managing personnel, schools, manpower training and staff development; 2) supervising and managing teaching/learning, guidance and inspection functions; 3) directing budget and financial management functions; and 4) managing planning, monitoring, data collection, research and records.

District Assemblies. During the past two years, 110 District Assemblies (DAs) have been established throughout Ghana, composed of two thirds elected and one third appointed officials. DAs are responsible for public infrastructure, buildings and maintenance. This includes primary

91

school construction, renovation, furnishing and equipping, and DA funds have in some cases been used for these purposes. The fact that many teachers are being elected to the DAs is expected to prove beneficial to the education system.

Local Communities and School Management. The most influential local body with respect to schooling, as well as with respect to all other local institutions, has historically been the chief and chief's council. The GOG has formed District and Area Implementation Committees as a way of stimulating community interest and participation in school affairs, and the acceptance of Ghana's education reforms at the village level has been due mainly to the enthusiasm of these committees which include important community members such as chiefs, GOG officials and church ministers.

9.2.4 Technical Feasibility

A key premise of PREP is that with significant policy and institutional reform, and with additional inputs of materials, large scale in-service teacher training, and improved management and supervision, the quality, effectiveness and financial sustainability of Ghana's primary education system will improve significantly. This strategy to improve primary education has been employed extensively by AID and other donors, and there is sufficient evidence to indicate that if well implemented and there exists a strong government commitment, they succeed. An additional premise of PREP is that the GOG is capable of implementing the Program with minimal offshore technical assistance (TA) and classic "projectized" assistance from AID. Finally, PREP is predicated on the assumption that policy and institutional reforms related to financial sustainability, an improved balance of resources between the three levels of education, and an improved balance of resources between supplies and salaries, can be institutionalized.

The issues of financial sustainability and balance of resources are discussed in the Economic Analysis and Financial Management Assessment annexes (Annexes F and G, respectively). The Technical Feasibility Assessment examines two issues: 1) whether the GOG has the political capacity and willingness to make the Program work; and 2) whether the MOE has the capacity to make the Program work.

GOG Political Capacity and Willingness. The GOG has demonstrated a political capacity and willingness found almost nowhere else in Africa to undertake significant structural and economic reform in the 1980s. Indications are that all major ERP guidelines and conditions have been followed to date, and education sector reforms have experienced a similar level of political commitment. There is, moreover, every expectation that the population of Ghana will also politically support the Program. While there was some opposition to education reforms attempted in the 1970s, and some initial opposition to the reform package of the 1980s, this has significantly diminished with the successes in providing materials to Junior Secondary Schools (JSSs) and the general upgrading of the teaching profession. Total overhaul of the grade structure, implementation of far-reaching cost-recovery schemes and cost saving/consolidation measures, and adoption of major institutional and

97

policy reforms have occurred for the most part with little political constraint. The most prevalent educational concern today, shared by educators, donors and the general public alike, is the poor state of primary education and its spillover effect on upper education levels.

MOE Capacity to Make the Program Work. MOE capacity was thoroughly described in the Ghana Education Sector Update and is reviewed in the Institutional Analysis (Annex E). A key to the success of any large scale sector reform program is the lead agency's capacity to implement the reforms. By any test, the MOE has demonstrated this capacity by its remarkable performance in implementing EDSAC I. While IBRD and other donors have been instrumental in assisting the MOE, the policies and programs to carry out the reforms have been initiated, developed and implemented on all levels by Ghanaians themselves.

A question remains, however, as to whether the MOE has the human resources to take on the additional management and delivery tasks necessary to improve primary education while at the same time moving forward with JSS and Senior Secondary School (SSS) reforms. The MOE clearly demonstrated that it had the capacity to carry out the EDSAC reforms. While the education system lost many competent professionals from 1975-85, many more remained and those who did were often people educated in the old system who received quality training. Furthermore, since economic conditions have deteriorated in neighboring West African states, many mid-level Ghanaian educators have returned. The issue of MOE capacity remains important, however, particularly with respect to training, implementation logistics, and impact monitoring.

Training Capacity. To carry out large scale in-service teacher training in basic education, the MOE relies on a cadre of about 100 resource people drawn from Cape Coast University, the Teacher Training Colleges (TTCs) and from among regional and district officers. These serve as trainers of trainers, who in turn train remaining teachers attending in-service courses. On several occasions, training courses have been run throughout the country for up to 10,000 educators at a time. Many trainers in areas such as science and math need additional short-term training themselves, however, and physical and human resources will be stretched to the limit in order to cover training of the large number of primary school teachers requiring upgrading.

Implementation Logistics and Monitoring Capacity. MOE procurement and logistical capacity was tested and found generally satisfactory under EDSAC I, but procurement began to lag by the end of EDSAC I due to limited institutional capacity and the increasing stream of commodities procured. With the additional increases in commodity procurement and delivery that will occur under PREP and EDSAC II, significant expansion of MOE procurement and delivery capacity will be required. The additional monitoring load implied by PREP will also require significant strengthening of MOE monitoring capacity.

93

The key to the successful management of the educational reform has been the PMU. Composed of dedicated, competent and hardworking individuals, the PMU has cut across bureaucratic barriers to pull together all the essential elements of Ghana's education reform program. The MOE and PREP design team analyzed the impact of increased PREP and EDSAC II demands on the implementation logistics and monitoring capacities of the PMU, and designed an expanded PMU capable of implementing the Program. This PMU redesign includes two additional PMU units, a PREP Coordination Office and PREP Financial Management and Tracking Office, and expansion of five existing PMU units: Procurement, Logistics, Engineering, Programming, and Monitoring and Evaluation.

An organigram of the revised PMU is presented and described in Annex E. The MOE will expand the PMU, and has already named a PREP Coordinator and several additional key staff. A condition precedent to first tranche disbursement requires the MOE to provide a detailed plan for integrating PREP into the PMU subject to AID approval, and conditionality will also require integration of the PMU into the MOE over the life of the project.

9.3 FINANCIAL FEASIBILITY

A PREP-specific Financial Management Assessment was conducted by an independent accounting firm during the early stages of PREP design (Annex G). That assessment evaluated 1) the role of MFEP in the GOG budgeting process; 2) the MOE budgeting, allocation and disbursement processes; 3) the MOE PMU as it relates to financial management; 4) the state of educational finance data and the advisability and feasibility of disaggregating the respective MOE budget headings and subheadings; 5) alternative USAID/MOE PREP implementation scenarios; and 6) PREP financial management. This assessment concluded that "PREP objectives will be achieved if the PMU is engaged as an expediting body within the MOE, with Program and Accounting Officers specifically in charge of PREP activities to monitor, document, evaluate and report on the progress of the Program." Principal findings of the assessment are described below.

Role of MFEP in GOG Financial Processes. MFEP is the GOG arm that coordinates the budget mechanism for both recurrent and capital expenditures in Ghana. After the first half of the year, MFEP issues guidelines for preparation of the following year budget to all GOG departments and ministries. General guidelines cover expected target growth of real output, inflation rates, and the external exchange rate to be applied for the value of imported goods or for transfers abroad. Specific guidelines relate to preparation of both recurrent and capital/development expenditures (head or regional office expenditures, development-oriented projects, and research-oriented projects). MFEP makes official estimates of actual expenditures twice a year, and issues general warrants to the Controller and Accountant General's Department to effect payments. MFEP also opens accounts at the Bank of Ghana or a commercial bank for counterpart funds, into which all cedis generated under most GOG-donor agreements are paid.

MOE Budgeting, Allocation and Disbursement. The MOE budgeting system statutorily follows the GOG system administered by MFEP to all GOG ministries and Departments. After June of each year, guidelines for budget preparation are circulated by MFEP and MOE data is collected from the districts to the regions and finally collated at the Divisional Directorates. Divisional budgets are again collated by the Planning, Budgeting, Monitoring and Evaluation Division of the MOE into a final MOE budget which is negotiated with MFEP.

Very early in the financial year (January), MFEP releases provisional estimates followed by approved budget estimates. The MOE allocates funds against the directorates which in turn reallocate by subunit, or region and district. The MOE accounting system uses statutory books into which entries are made. Monthly expenditure returns are expected to be submitted and their submittal is a condition for further release of money for the following quarter. This purpose is often defeated, however, because of poor communications. The Auditor General's staff conducts routine audits of expenditures and reports to the various directorates of the MOE with a copy to the Auditor General.

The Program Management Unit. Establishing PMUs within the MOE was the consequence of lax MOE record-keeping and financial reporting. Donors to the sector found it necessary to establish a PMU to assure the proper use of funds and a system adequate enough to prepare timely reports. Under EDSAC, the PMU had project officers responsible for disbursements, procurement, programs and logistics. The accounting function of the PMU was contracted to an accounting firm which writes up accounts books and produces the periodic returns required. The PMU Accountant's staff consists of three certified accountants and is responsible for bookkeeping, maintaining ledger accounts for the educational districts, preparing annual budgets, purchasing, supply accounting and reporting. There is currently no internal audit function within the PMU.

The State of Educational Finance Data. To some extent, MOE attempts to disaggregate educational data and tries to link it to particular educational levels. The policy of centralizing spending authority relating to school textbooks, learning and teaching materials, management and supervision, and training, however, as well as the existence of large numbers of personnel performing tasks across educational levels, makes ascertaining expenditures by educational level difficult. The GOG-published recurrent budget figures also show only expenditures incurred by the GOG, and thus do not portray the educational budget of the entire nation. Disaggregation of such data is critical to achieving key Program objectives, and can be accomplished by both true data "disaggregation" and by prorating data from specific MOE budget headings. Guidelines for achieving this are found in Annex G.

USAID/MOE PREP Implementation Alternatives. The Financial Management Assessment and other assessments conducted during Program design all strongly recommend use of an expanded PMU for Program implementation. With respect to financial management, the PMU PREP Coordinator's Office will be responsible for monitoring MOE primary education budget and expenditure data.

95-X

Local Currency Monitoring. The Financial Management Assessment recommended opening a separate MFEP bank account at a commercial bank to receive the cedi equivalent of the amount that will be released in tranches. This recommendation was later modified to include opening of an additional MOE account for PREP funds, to be drawn down by the MOE with MFEP counter signatory authority.

PREP Financial Management. PREP financial management will require keeping accounts separate from the main MOE system, and maintaining strict and regular reporting of budget and expenditure data. Forms for this purpose were designed during PREP design (Annex G) to facilitate provision of both budget and expenditure data to USAID as well as information explaining any variances disclosed.

9.4 SOCIAL FEASIBILITY

A social analysis of PREP is attached as Annex H. The major conclusion of this analysis is that the social feasibility of PREP, i.e., "the receptivity of proposed participants to the activities and approaches proposed and their motivation and ability to take part in the Program," appears promising. This is predicated, however, upon 1) identifying contributing factors to the current inequity situation; 2) planning and designing appropriate corrective interventions; and 3) institutionalizing lessons learned about equity improvement with a system-wide equity improvement policy. Each of these provisions is an integral component of PREP.

There is a common consensus among the educational community that only an improved and equitable primary education system will achieve the types of objectives established by the GOG's education reform program. Currently, educational resources and opportunities for primary education are very inequitably distributed in Ghana. They are unevenly distributed between geographic areas, between schools among and within districts, between social and ethnic groups, and between and among the sexes. About 30% of eligible school age children do not attend school, for example, a figure which varies tremendously between districts. Associated with this are low primary education completion rates and low pupil achievement.

The GOG currently has insufficient resources and knowledge about the social dynamics of inequities to pursue its objective of universal primary education for all Ghanaians through design of appropriate policies and interventions. At the same time, progress toward primary education for all eligible children only seems possible if the limited resources available are allocated to inputs that are the most cost-effective as well as equitable. Given the issues raised in the social analysis, the fact that not enough is known about the underlying cause of inequities, and the fact that there currently is no effort to target groups inequitably represented in the system, focusing PREP resources on disadvantaged groups to test alternative means of improving equity is a promising strategic approach to achieving PREP equity objectives.

Ensuring access to education services, particularly among the lowest income groups, is critical both for improved equity and for the long-term improvements in productivity and incomes upon which the development of Ghana depends. Insight into the impact of structural adjustment on access to primary education is needed to help MOE identify where targeting of resources might be required to ensure that the Program meets the needs of certain sub-groups of the population. Identifying and providing incentives will be especially important where households are tempted to keep children, particularly girls, from school.

While incentives are a major way to improve access to the primary education system, identifying appropriate incentives is another matter. Simply expanding enrollment by automatic promotion or free education is not an effective strategy, for example, where family demand for education of daughters is low. A clear lesson from experience is that for schools to be fully utilized, the demand for education has to come from the family. Expansion policies must therefore be accompanied by policies that lower costs and raise benefits for families, and/or that educate families about the potential benefits of education.

Since social and cultural considerations vary widely among and within regions, but need to be taken into account in planning and providing educational services, one needs to consider the various reasons that affect the education of boys and girls differently. Development of an adequate data collection and analysis system with a social and gender variable is therefore essential to gain insight into what may work in designing incentives that promote equity in educational opportunity.

The feasibility of attaining PREP equity improvement objectives will require that, at a minimum, three measures be taken. First, development of an adequate data collection and analysis system, including a social and gender variable, will be essential to planning and designing the most appropriate and practical corrective interventions. This in turn assumes the availability of an analytical capacity to conduct social analysis of cultural and socioeconomic factors that contribute to inequity.

Second, a 50% increase in gross enrollment rates for both boys and girls and a 25% increase in gross retention rates will require, after identification of contributing factors to inequities, implementation of alternative strategies for equalizing opportunities. Since girls in certain areas may be unintended losers with respect to the nature of the planned impacts of PREP, targeting girls in certain segments of the population will therefore be essential. Finally, sustainability past the EOP requires the commitment of national and local governments to continue focusing resources on disadvantaged groups of the population. In the long term, therefore, institutionalization of the Equity Improvement Program leading to a system-wide policy statement will be essential.

PREP's Equity Improvement Program was specifically designed to meet these needs by supporting analysis, design, implementation and evaluation of pilot corrective interventions, and PREP leverages institutionalization of equity improvement activities through establishment of an equity improvement policy.

97

Annex A

PAIP Approval Cable

(3) ACTION:REDSO INFO: WAAC ECON

VZCZCAB0745
RR RJEHAP
DE RUEHC #2291/01 0891706
ZNR UUUUU ZZH
R 3217032 MAR 90
FM SECSTATE WASHDC
TO RJEHAB/AMEMBASSY ACCRA 9836
INFO RUEHAB/AMEMBASSY ABIDJAN 4740
BT
UNCLAS SECTION 01 OF 02 STATE 102291

LOC: 172 706
30 MAR 90 1708
CN: 51315
CHRG: AID
DIST: AID

AIDAC

Action G-DO
Info PDO
OP
Due Date 4/6
Action Taken

E.O. 12356: N/A

SUBJECT: ECPR FOR GHANA PRIMARY EDUCATION PROGRAM (PREP) (641-0119)

1. ON MARCH 13, THE ECPR APPROVED THE GHANA PRIMARY EDUCATION PROGRAM AT THE REQUESTED DOLS 35.0 MILLION LEVEL. THE ECPR WAS CHAIRED BY DAA/AFR AND ATTENDANCE AT THE MEETING INCLUDED AFR/TR/EHR, AFR/PD/CCWAP, GC/AFR, AFR/DP, AFR/CCWA, PPC/PDPR, ST/ED, AND PPC/WID.

THE MISSION WAS HIGHLY COMMENDED FOR THE QUALITY AND THOROUGHNESS OF THE PAIP, AND THE EXCELLENT EDUCATION SECTOR ASSESSMENT WHICH ACCOMPANIED IT. THE FOLLOWING GUIDANCE IS PROVIDED FOR DEVELOPMENT OF THE PAAD:

A. IMPACT ASSESSMENT: WHILE THE SPECIFIC TARGETS (CONDITIONALITY) IN THE PAIP ARE CLEARLY DEFINED, THE ULTIMATE GOAL OF THE PROGRAM, I.E. HIGHER LITERACY RATES, HIGHER NUMBERS OF PRIMARY SCHOOL COMPLETERS, IS NOT WELL DESCRIBED. CONSEQUENTLY, THE PAAD SHOULD BUILD UPON THE SPECIFIC TARGETS ESTABLISHED IN THE PAIP TO BETTER DEFINE THE PROGRAM'S LONG-TERM OBJECTIVES. THE PAAD SHOULD CLEARLY IDENTIFY IN QUANTITATIVE TERMS, IF POSSIBLE, WHAT THE ANTICIPATED IMPACT ON THE PERFORMANCE

OF PRIMARY SCHOOL STUDENTS WILL BE AT THE END OF THE PROGRAM. FURTHERMORE, THE PAAD SHOULD EXPLICITLY DISCUSS THE MEANS, AND IDENTIFY THE RESOURCES NECESSARY TO MONITOR PROGRESS TOWARDS ACHIEVEMENT IN THESE AREAS.

B. STANDARDIZED TESTING: THE PAIP PRESENTS AN AMBITIOUS PROGRAM FOR DEVELOPMENT AND INSTITUTIONALIZATION OF STANDARD ACHIEVEMENT TESTS TO ATTEMPT TO MEASURE THE QUALITY AND EFFICIENCY IMPROVEMENTS IN THE EDUCATIONAL SYSTEM IN GHANA. ALTHOUGH THE ECPR AGREED WITH THE NEED FOR TESTING, BUREAU EDUCATION OFFICERS QUESTIONED WHETHER A SIMPLER AND MORE FLEXIBLE METHOD, SUCH AS CRITERIA REFERENCED TESTING, MIGHT BE MORE APPROPRIATE FOR GHANA. CONSEQUENTLY, THE MISSION SHOULD EXPLORE ALTERNATIVES TO THE STANDARDIZED TESTING APPROACH ADVOCATED BY THE IBRD. IF THE REQUIREMENT FOR

99

STANDARDIZED TESTING IS RETAINED, THE PAAD SHOULD LAY OUT THE SCHEDULE FOR DEVELOPMENT OF SUCH TESTING AND ANALYZE WHAT THE ACCEPTABILITY/VALIDITY OF THESE TESTS ARE IN THE GHANAIAN CONTEXT.

C. RELATIONSHIP OF CONDITIONALITY TO IBRD'S EDSAC: THE ECPR DISCUSSION FOCUSED ON THE RELATIONSHIP OF THIS PROGRAM TO THE IBRD'S EDSAC AND SUGGESTS THAT THIS PROGRAM SHOULD BE A PARALLEL ACTIVITY WITH THE WORLD BANK AND NOT A JOINT PROGRAM. HENCE, THE PAAD SHOULD ANALYZE THE COMPATIBILITY OF OUR OBJECTIVES, CONDITIONALITY, AND MANAGEMENT STRUCTURE WITH THAT PROPOSED FOR EDSACS I AND II. THIS ANALYSIS SHOULD IDENTIFY POINTS OF CONVERGENCE AND AREAS WHERE OUR PROGRAM SHOULD DIVERGE FROM THAT OF THE BANK. FOR CONDITIONALITY WHICH HAS BEEN ADOPTED FROM THE BANK, THE MISSION SHOULD ASSURE THEMSELVES THAT IT IS ALSO APPROPRIATE FOR THE A.I.D. PROGRAM.

FURTHER, GIVEN THE EXTENT OF CONDITIONALITY (TWENTY-NINE SEPARATE TARGETS) THE MISSION SHOULD ASSURE ITSELF THAT THE SUM TOTAL OF ALL THESE TARGETS IS FEASIBLE WITHIN THE TIMEFRAME ALLOTTED.

D. EQUITY IMPROVEMENT PROGRAM: THE ECPR NOTED THAT THE EQUITY IMPROVEMENT PROGRAM (EIP) WAS LEFT TO BE DEFINED BY THE GOG DURING THE LIFE OF THE PREP. HOWEVER, CONCERN WAS EXPRESSED AT THE ECPR THAT THE MISSION DID NOT IDENTIFY SPECIFIC TENETS OR OBJECTIVES THAT IT WISHED TO SEE INCORPORATED INTO THE EIP. ALTHOUGH THE SENSITIVITY OF THIS ISSUE, BOTH IN POLITICAL AND SOCIAL TERMS, DOES INDICATE THE NEED FOR A

FLEXIBLE APPROACH TO THE SUBJECT, THE PAAD SHOULD LAY OUT A STRATEGY AND REALISTIC TARGETS FOR ADDRESSING THE EQUITY ISSUES WITH THE GOG. IF POSSIBLE, THE PAAD SHOULD CLEARLY IDENTIFY LOCAL CURRENCY AND GOG RESOURCES NEEDED TO SUPPORT THE EIP.

E. DECENTRALIZATION: THIS TARGET WAS A SECOND AREA WHERE THE ECPR RECOGNIZED COMPLEX POLITICAL, FINANCIAL, SOCIAL, AND INSTITUTIONAL ISSUES, AND CONSEQUENTLY THE LONG TIMEFRAME REQUIRED TO DEVELOP A DECENTRALIZATION PLAN. YET, THE MOE NEEDS TO FIRST IDENTIFY PRECISELY WHAT THE OBJECTIVES OF THE QUOTE DECENTRALIZATION POLICY END QUOTE SHOULD BE. THIS SHOULD BE DONE DURING THE PAAD DESIGN PHASE, AND THE PAAD SHOULD DESCRIBE WHAT THE POLICY PRONOUNCEMENT AND SUBSEQUENT PLAN SHOULD ADDRESS, E.G. AUTHORITY FOR BUDGETING, FINANCIAL MANAGEMENT, SETTING POLICIES FOR SCHOOL ADMINISTRATION, ETC. IN SUMMARY, THE PAAD SHOULD CONTAIN WHAT THE MISSION ENVISIONS IN TERMS OF DECISIONMAKING AUTHORITY AT THE END OF THE PROJECT AT THE LOCAL, DISTRICT, AND CENTRAL

100

LEVEL, AND INCLUDE APPROPRIATE CONDITIONALITY TO COVER EXPECTED GOG ACTIONS IN THIS AREA.

F. DONOR COORDINATION: THE ECPR REPRESENTATIVES NOTED THE NUMEROUS DONORS TO THE SECTOR AND THE KEY ROLE PLAYED BY THE IBRD BOTH IN TERMS OF ENCOURAGING SUCCESSFUL POLICY REFORM AND COORDINATING DONOR INPUTS IN EDUCATION. YET, SEVERAL POSSIBLE AREAS OF OVERLAP AND SOME DISCREPANCIES BETWEEN PRIORITIES AMONG THE DONORS WERE ALSO EVIDENT. THE PAAD SHOULD LAY OUT MORE CLEARLY THE OVERALL GOG STRATEGY, PRIORITIES IN THE SECTOR, AND CURRENT MECHANISMS FOR DONOR COORDINATION BY THE GOG. IT SHOULD ALSO EXPLORE OTHER ALTERNATIVES TO IMPROVE COLLABORATION, ONE OF WHICH MIGHT BE TO USE THE MOE'S PROJECT MONITORING UNIT AS A CENTRAL COORDINATION POINT FOR THE DONORS AND THE MOE.

G. LOCAL CURRENCY: LOCAL CURRENCY FROM THIS PROGRAM REPRESENTS A SIGNIFICANT PROPORTION OF THE MOE'S BUDGET. THE PAIP HAS IDENTIFIED SPECIFIC USES FOR THESE FUNDS, BUT THE LEVEL OF MISSION INVOLVEMENT IN PROGRAMMING IS UNCLEAR. THE MISSION SHOULD CONSIDER CAREFULLY THE LEVEL OF USAID PARTICIPATION IN PROGRAMMING, MONITORING AND EVALUATION, AND SCOPE AND SPECIFICITY OF REPORTING REQUIRED BY THE GOG. DUE TO THE INORDINATE AMOUNT OF MANAGEMENT TIME THAT WOULD BE REQUIRED FOR SIGNIFICANT A.I.D. INVOLVEMENT IN THE PROGRAMMING OF THESE CURRENCIES, THE GOG SHOULD BE GIVEN PRIMARY RESPONSIBILITY TO ALLOCATE AND MANAGE THE LOCAL CURRENCY FUNDS, WITH USAID OVERSIGHT ONLY SUFFICIENT TO MEET MONITORING AND FINANCIAL REPORTING REQUIREMENTS. USAID SHOULD USE AUDITS, WHEN NECESSARY, TO MONITOR THE OVERALL EXPENDITURE OF FUNDS, BUT NOT BECOME INVOLVED IN DAY-TO-DAY IMPLEMENTATION ISSUES. GENERAL AGENCY GUIDANCE ON LOCAL CURRENCY PROGRAMMING IS SET FORTH IN 87 STATE 327494; ALSO, SEE AFRICA BUREAU QUOTE SUPPLEMENTAL MESSAGE END QUOTE ON LOCAL CURRENCY IN 87 STATE 369925.

H. FINANCIAL SUSTAINABILITY: ONE OF THE TARGETS THAT IS CLEARLY THE MOST CRITICAL TO THE SUCCESS OF THE PROGRAM IS MAINTAINING A STABLE BASIC EDUCATION SHARE OF THE GOG BUDGET. WHILE AID/W APPLAUDS THE CURRENT RELATIVELY HIGH PERCENTAGE OF GOG ALLOCATION OF FUNDS (38 OF THE GOG RECURRENT BUDGET) TO THE MOE, AID/W EXPRESSED CONCERN OVER A FUTURE DECLINE OF THESE RESOURCES GIVEN A POTENTIAL DECREASE IN THE REVENUE BASE. THE PAAD SHOULD CONDUCT A CAREFUL SENSITIVITY ANALYSIS, PROJECTING REVENUES TO THE GOG, ALLOCATION OF BOTH RECURRENT AND INVESTMENT BUDGET TO THE MOE AND PARTICULARLY FOR BASIC EDUCATION, MOE BUDGETARY REQUIREMENTS ANNUALLY OVER THE LIFE OF THE PROGRAM, SOURCES OF EXTERNAL AND INTERNAL FINANCING, AND AS A RESULT OF A DECLINE IN EITHER SOURCES OF FUNDING, ANY SHORTFALLS THAT THE MOE MIGHT HAVE. THUS, THE PAAD SHOULD EXPLORE AGAIN COST RECOVERY MEASURES, PARTICULARLY FROM RETRENCHMENT OF TEACHERS, INPUTS FROM THE DONOR COMMUNITY, SUBSIDIZATION AT THE

101

SECONDARY LEVEL, AND THE INCREASE IN TEACHER/STUDENT RATIO DESCRIBED IN THE PAIP TO MEET THE PROJECTED SHORTFALLS.

I. PROJECTIZED COMPONENT: THE ECPR COMMENDED THE MISSION ON THE USE OF A GHANAIAN NGO TO UNDERTAKE THE MONITORING AND EVALUATION COMPONENT OF THE PROGRAM. WE BELIEVE THAT ONE OF THE KEY RATIONALES FOR INVOLVING A LOCAL NGO IN THIS COMPONENT IS THAT THIS IS AN IMPORTANT MEANS TO HELP ASSURE INSTITUTIONALIZATION OF THE MONITORING AND EVALUATION CAPACITY IN GHANA. THE PAAD SHOULD EXPLICITLY ASSESS THE EXISTING TECHNICAL AND INSTITUTIONAL CAPACITY OF THIS ORGANIZATION, AS WELL AS ANY RESOURCES NECESSARY, FOR THIS NGO TO BE ABLE TO CONTINUE TO EVALUATE PROGRESS IN THE EDUCATION SECTOR BEYOND THE END OF THE PREP.

J. PAAD REVIEW: THE ECPR CONCURRED IN THE MISSION'S SUGGESTION TO BRING THE PAAD TO AID/W FOR REVIEW.
EAGLEBURGER
BT
#2291

NNNN

UNCLAS SECTION 02 OF 02 STATE 102291

Annex B

Statutory Checklist

5C(1) - COUNTRY CHECKLIST

Listed below are statutory criteria applicable to: (A) FAA funds generally; (B)(1) Development Assistance funds only; or (B)(2) the Economic Support Fund only.

A. GENERAL CRITERIA FOR COUNTRY ELIGIBILITY

1. FY 1990 Appropriations Act Sec. 569(b). Has the President certified to the Congress that the government of the recipient country is failing to take adequate measures to prevent narcotic drugs or other controlled substances which are cultivated, produced or processed illicitly, in whole or in part, in such country or transported through such country, from being sold illegally within the jurisdiction of such country to United States Government personnel or their dependents or from entering the United States unlawfully? No.

2. FAA Sec. 481(h); FY 1990 Appropriations Act Sec. 569(b). (These provisions apply to assistance of any kind provided by grant, sale, loan, lease, credit, guaranty, or insurance, except assistance from the Child Survival Fund or relating to international narcotics control, disaster and refugee relief, narcotics education and awareness, or the provision of food or medicine.) If the recipient is a "major illicit drug producing country" (defined as a country producing during a fiscal year at least five metric tons of opium or 500 metric tons of coca or marijuana) or a "major drug-transit country" (defined as a country that is a significant direct source of illicit drugs significantly affecting the United States, through which such drugs No.

are transported, or through which significant sums of drug-related profits are laundered with the knowledge or complicity of the government): (a) Does the country have in place a bilateral narcotics agreement with the United States, or a multilateral narcotics agreement? and (b) Has the President in the March 1 International Narcotics Control Strategy Report (INSCR) determined and certified to the Congress (without Congressional enactment, within 45 days of continuous session, of a resolution disapproving such a certification), or has the President determined and certified to the Congress on any other date (with enactment by Congress of a resolution approving such certification), that (1) during the previous year the country has cooperated fully with the United States or taken adequate steps on its own to satisfy the goals agreed to in a bilateral narcotics agreement with the United States or in a multilateral agreement, to prevent illicit drugs produced or processed in or transported through such country from being transported into the United States, to prevent and punish drug profit laundering in the country, and to prevent and punish bribery and other forms of public corruption which facilitate production or shipment of illicit drugs or discourage prosecution of such acts, or that (2) the vital national interests of the United States require the provision of such assistance?

No. 3. 1986 Drug Act Sec. 2013. (This section applies to the same categories of assistance subject to the restrictions in FAA Sec. 481(h), above.) If recipient country is a "major illicit drug producing country" or "major drug-transit country" (as defined for the purpose of FAA Sec 481(h)), has the President submitted a report to

105

Congress listing such country as one: (a) which, as a matter of government policy, encourages or facilitates the production or distribution of illicit drugs; (b) in which any senior official of the government engages in, encourages, or facilitates the production or distribution of illegal drugs; (c) in which any member of a U.S. Government agency has suffered or been threatened with violence inflicted by or with the complicity of any government officer; or (d) which fails to provide reasonable cooperation to lawful activities of U.S. drug enforcement agents, unless the President has provided the required certification to Congress pertaining to U.S. national interests and the drug control and criminal prosecution efforts of that country?

4. FAA Sec. 620(c). If assistance is to a government, is the government indebted to any U.S. citizen for goods or services furnished or ordered where: (a) such citizen has exhausted available legal remedies, (b) the debt is not denied or contested by such government, or (c) the indebtedness arises under an unconditional guaranty of payment given by such government or controlled entity? No.

5. FAA Sec. 620(e)(1). If assistance is to a government, has it (including any government agencies or subdivisions) taken any action which has the effect of nationalizing, expropriating, or otherwise seizing ownership or control of property of U.S. citizens or entities beneficially owned by them without taking steps to discharge its obligations toward such citizens or entities? No.

106

No.

6. FAA Secs. 620(a), 620(f), 620D; FY 1990 Appropriations Act Secs. 512, 548. Is recipient country a Communist country? If so, has the President: (a) determined that assistance to the country is vital to the security of the United States, that the recipient country is not controlled by the international Communist conspiracy, and that such assistance will further promote the independence of the recipient country from international communism, or (b) removed a country from applicable restrictions on assistance to communist countries upon a determination and report to Congress that such action is important to the national interest of the United States? Will assistance be provided either directly or indirectly to Angola, Cambodia, Cuba, Iraq, Libya, Vietnam, South Yemen, Iran or Syria? Will assistance be provided to Afghanistan without a certification, or will assistance be provided inside Afghanistan through the Soviet-controlled government of Afghanistan?

No.

No.

No.

7. FAA Sec. 620(j). Has the country permitted, or failed to take adequate measures to prevent, damage or destruction by mob action of U.S. property?

No.

8. FAA Sec. 620(l). Has the country failed to enter into an investment guaranty agreement with OPIC?

No.

9. FAA Sec. 620(o); Fishermen's Protective Act of 1967 (as amended) Sec. 5. (a) Has the country seized, or imposed any penalty or sanction against, any U.S. fishing vessel because of fishing activities in international waters? (b) If so, has any deduction required by the Fishermen's Protective Act been made?

N/A.

107

10. FAA Sec. 620(q); FY 1990 Appropriations Act Sec. 518 (Brooke Amendment). (a) Has the government of the recipient country been in default for more than six months on interest or principal of any loan to the country under the FAA? (b) Has the country been in default for more than one year on interest or principal on any U.S. loan under a program for which the FY 1990 Appropriations Act appropriates funds? — No.

11. FAA Sec. 620(s). If contemplated assistance is development loan or to come from Economic Support Fund, has the Administrator taken into account the percentage of the country's budget and amount of the country's foreign exchange or other resources spent on military equipment? (Reference may be made to the annual "Taking Into Consideration" memo: "Yes, taken into account by the Administrator at time of approval of Agency OYB." This approval by the Administrator of the Operational Year Budget can be the basis for an affirmative answer during the fiscal year unless significant changes in circumstances occur.) — N/A.

12. FAA Sec. 620(t). Has the country severed diplomatic relations with the United States? If so, have relations been resumed and have new bilateral assistance agreements been negotiated and entered into since such resumption? — No.

13. FAA Sec. 620(u). What is the payment status of the country's U.N. obligations? If the country is in arrears, were such arrearages taken into account by the A.I.D. Administrator in determining the current A.I.D. Operational Year Budget? (Reference may be made to the "Taking into Consideration" memo.)

108X

No. 14. FAA Sec. 620A. Has the President determined that the recipient country grants sanctuary from prosecution to any individual or group which has committed an act of international terrorism or otherwise supports international terrorism?

No. 15. FY 1990 Appropriations Act Sec. 564. Has the country been determined by the President to: (a) grant sanctuary from prosecution to any individual or group which has committed an act of international terrorism, or (b) otherwise support international terrorism, unless the President has waived this restriction on grounds of national security or for humanitarian reasons?

No. 16. ISDCA of 1985 Sec. 552(b). Has the Secretary of State determined that the country is a high terrorist threat country after the Secretary of Transportation has determined, pursuant to section 1115(e)(2) of the Federal Aviation Act of 1958, that an airport in the country does not maintain and administer effective security measures?

No. 17. FAA Sec. 666(b). Does the country object, on the basis of race, religion, national origin or sex, to the presence of any officer or employee of the U.S. who is present in such country to carry out economic development programs under the FAA?

No. 18. FAA Secs. 669, 670. Has the country, after August 3, 1977, delivered to any other country or received nuclear enrichment or reprocessing equipment, materials, or technology, without specified arrangements or safeguards, and without special certification by the President? Has it transferred a nuclear explosive device to a non-nuclear weapon state, or if such a state, either received or detonated a nuclear explosive device? (FAA Sec. 620E permits a special waiver of Sec. 669 for Pakistan.)

19. FAA Sec. 670. If the country is a non-nuclear weapon state, has it, on or after August 8, 1985, exported (or attempted to export) illegally from the United States any material, equipment, or technology which would contribute significantly to the ability of a country to manufacture a nuclear explosive device? — No.

20. ISDCA of 1981 Sec. 720. Was the country represented at the Meeting of Ministers of Foreign Affairs and Heads of Delegations of the Non-Aligned Countries to the 36th General Assembly of the U.N. on Sept. 25 and 28, 1981, and did it fail to disassociate itself from the communique issued? If so, has the President taken it into account? (Reference may be made to the "Taking into Consideration" memo.)

21. FY 1990 Appropriations Act Sec. 513. Has the duly elected Head of Government of the country been deposed by military coup or decree? If assistance has been terminated, has the President notified Congress that a democratically elected government has taken office prior to the resumption of assistance? — No.

22. FY 1990 Appropriations Act Sec. 539. Does the recipient country fully cooperate with the international refugee assistance organizations, the United States, and other governments in facilitating lasting solutions to refugee situations, including resettlement without respect to race, sex, religion, or national origin? — Yes.

110

B. FUNDING SOURCE CRITERIA FOR COUNTRY ELIGIBILITY

1. Development Assistance Country Criteria

No.

a. FAA Sec. 116. Has the Department of State determined that this government has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, can it be demonstrated that contemplated assistance will directly benefit the needy?

No.

b. FY 1990 Appropriations Act Sec. 535. Has the President certified that use of DA funds by this country would violate any of the prohibitions against use of funds to pay for the performance of abortions as a method of family planning, to motivate or coerce any person to practice abortions, to pay for the performance of involuntary sterilization as a method of family planning, to coerce or provide any financial incentive to any person to undergo sterilizations, to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?

N/A.

2. Economic Support Fund Country Criteria

a. FAA Sec. 502B. Has it been determined that the country has engaged in a consistent pattern of gross violations of internationally recognized human rights? If so, has the President found that the country made such significant improvement in its human rights record that furnishing such assistance is in the U.S. national interest?

b. FY 1990 Appropriations Act Sec. 569(d). Has this country met its drug eradication targets or otherwise taken significant steps to halt illicit drug production or trafficking?

5C(2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A includes criteria applicable to all projects. Part B applies to projects funded from specific sources only: B(1) applies to all projects funded with Development Assistance; B(2) applies to projects funded with Development Assistance loans; and B(3) applies to projects funded from ESF.

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

A. GENERAL CRITERIA FOR PROJECT

1. FY 1990 Appropriations Act Sec. 523; FAA Sec. 634A. If money is to be obligated for an activity not previously justified to Congress, or for an amount in excess of amount previously justified to Congress, has Congress been properly notified?	Program has been justified to Congress, but amount exceeds that previously justified. The Congress will be notified.
2. FAA Sec. 611(a). Prior to an obligation in excess of $500,000, will there be: (a) engineering, financial or other plans necessary to carry out the assistance; and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?	Yes. All relevant plans have been carried out and a reasonably firm estimate of the cost of assistance has been established.
3. FAA Sec. 611(a)(2). If legislative action is required within recipient country with respect to an obligation in excess of $500,000, what is the basis for a reasonable expectation that such action will be completed in time to permit orderly accomplishment of the purpose of the assistance?	No legislative action is required within the recipient country.

112

4. FAA Sec. 611(b); FY 1990 Appropriations Act Sec. 501. If project is for water or water-related land resource construction, have benefits and costs been computed to the extent practicable in accordance with the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See A.I.D. Handbook 3 for guidelines.)	N/A.
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and total U.S. assistance for it will exceed $1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability to maintain and utilize the project effectively?	N/A.
6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.	No. The Program focuses on country-specific policies not subject to regional execution. It is, however, supportive of World Bank policies and goals supported through its Education Sector Adjustment Credit.
7. FAA Sec. 601(a). Information and conclusions on whether projects 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 Program supports the public sector, but will increase the flow of international trade by increasing the amount of foreign exchange available to the private sector in Ghana.
8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).	The Program is not expected to have an effect on U.S. private trade and investment.

13

9. FAA Secs. 612(b), 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 in lieu of dollars.	Ninety percent of the costs of meeting contractual and other services will be met with host-government owned local currencies.
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?	No.
11. FY 1990 Appropriations 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.
12. FY 1990 Appropriations Act Sec. 547. Will the assistance (except for programs in Caribbean Basin Initiative countries under U.S. Tariff Schedule "Section 807," which allows reduced tariffs on articles assembled abroad from U.S.-made components) be used directly to procure feasibility studies, prefeasibility studies, or project profiles of potential investment in, or to assist the establishment of facilities specifically designed for, the manufacture for export to the United States or to third country markets in direct competition with U.S. exports, of textiles, apparel, footwear, handbags, flat goods (such as wallets or coin purses worn on the person), work gloves or leather wearing apparel?	No.
13. FAA Sec. 119(g)(4)-(6) & (10). Will the assistance: (a) support training and education efforts which improve the capacity of recipient countries to prevent loss of biological diversity; (b) be provided under a long-term agreement in which the recipient country agrees to protect ecosystems or other	No.

114

wildlife habitats; (c) support efforts to identify and survey ecosystems in recipient countries worthy of protection; or (d) by any direct or indirect means significantly degrade national parks or similar protected areas or introduce exotic plants or animals into such areas?

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

15. FY 1990 Appropriations Act, Title II, under heading "Agency for International Development." If assistance is to be made to a United States PVO (other than a cooperative development organization), does it obtain at least 20 percent of its total annual funding for international activities from sources other than the United States Government? N/A.

16. FY 1990 Appropriations Act Sec. 537. If assistance is being made available to a PVO, has that organization provided upon timely request any document, file, or record necessary to the auditing requirements of A.I.D., and is the PVO registered with A.I.D.? N/A.

17. FY 1990 Appropriations Act Sec. 514. If funds are being obligated under an appropriation account to which they were not appropriated, has the President consulted with and provided a written justification to the House and Senate Appropriations Committees and has such obligation been subject to regular notification procedures? N/A.

115

18. State Authorization Sec. 139 (as interpreted by conference report). Has confirmation of the date of signing of the project agreement, including the amount involved, been cabled to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force with respect to the United States, and has the full text of the agreement been pouched to those same offices? (See Handbook 3, Appendix 6G for agreements covered by this provision).	Conformation of the date of signing and the full text of the agreement will be sent to State L/T and A.I.D. LEG within 60 days of the agreement's entry into force.
19. Trade Act Sec. 5164 (as interpreted by conference report), amending Metric Conversion Act of 1975 Sec. 2. Does the project use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate?	N/A.
20. FY 1990 Appropriations Act, Title II, under heading "Women in Development." Will assistance be designed so that the percentage of women participants will be demonstrably increased?	Yes.
21. FY 1990 Appropriations Act Sec. 592(a). If assistance is furnished to a foreign government under arrangements which result in the generation of local currencies, has A.I.D. (a) required that local currencies be deposited in a separate account established by the recipient government, (b) entered into an agreement with that government providing the amount of local currencies to be generated and the terms and conditions under which the currencies so deposited may be utilized, and (c) established by agreement the responsibilities of A.I.D. and that government to monitor and account for deposits into and disbursements from the separate account?	(a). Yes. (b)-(c). A.I.D. will enter into such agreement prior to Program implementation.

Will such local currencies, or an equivalent amount of local currencies, be used only to carry out the purposes of the DA or ESF chapters of the FAA (depending on which chapter is the source of the assistance) or for the administrative requirements of the United States Government?	Yes.
Has A.I.D. taken all appropriate steps to ensure that the equivalent of local currencies disbursed from the separate account are used for the agreed purposes?	Yes.
If assistance is terminated to a country, will any unencumbered balances of funds remaining in a separate account be disposed of for purposes agreed to by the recipient government and the United States Government?	Yes.

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FY 1990 Appropriations Act Sec. 546 (as interpreted by conference report for original enactment). If assistance is for agricultural development activities (specifically, any testing or breeding feasibility study, variety improvement or introduction, consultancy, publication, conference, or training), are such activities: (1) specifically and principally designed to increase agricultural exports by the host country to a country other than the United States, where the export would lead to direct competition in that third country with exports of a similar commodity grown or produced in the United States, and can the activities reasonably be expected to cause substantial injury to U.S. exporters of a similar agricultural commodity; or (2) in support of research that is intended primarily to benefit U.S. producers?	N/A.
b. FAA Sec. 107. Is special emphasis placed on use of appropriate technology (defined as relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?	N/A.
c. FAA Sec. 281(b). Describe extent to which the activity recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civic education and training in skills required for effective participation in governmental and political processes essential to self-government.	The Program is designed to respond to the greatest need of the people, that for basic education. Local resources will be fully used to implement the Program, which supports civilian education in skills required for basic needs.

d. FAA Sec. 101(a). 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?	Yes.
e. FAA Secs. 102(b), 111, 113, 281(a). Describe extent to which activity will: (1) effectively involve the poor in development by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, dispersing investment 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 appropriate U.S. institutions; (2) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward a better life, and otherwise encourage democratic private and local governmental institutions; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries.	(1). The Program contains a special component designed to increase access to public primary education by those most underrepresented, including the poor. (2). The Program will not be involved with cooperatives. (3). The Program supports an ongoing and longstanding government education reform program. (4). The Program specifically targets girls in areas where they are underrepresented.
f. FAA Secs. 103, 103A, 104, 105, 106, 120-21; FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA." Does the project fit the criteria for the source of funds (functional account) being used?	Yes.
g. FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA." Have local currencies generated by the sale of imports or foreign exchange by the government of a country in Sub-Saharan Africa from funds appropriated under Sub-Saharan Africa, DA been deposited in a special account established by that government, and are these local currencies available only for	Yes.

use, in accordance with an agreement with the United States, for development activities which are consistent with the policy directions of Section 102 of the FAA and for necessary administrative requirements of the U. S. Government?

h. FAA Sec. 107. Is emphasis placed on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)? — N/A.

i. FAA Secs. 110, 124(d). Will the recipient country provide at least 25 percent of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)? — Yes.

j. FAA Sec. 128(b). If the activity attempts to increase the institutional capabilities of private organizations or the government of the country, or if it attempts to stimulate scientific and technological research, has it been designed and will it be monitored to ensure that the ultimate beneficiaries are the poor majority? — Yes. The Program is specifically designed to improve access to Ghana's primary education by all Ghanaians eligible and not currently enrolled in enrolled in primary school.

k. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's 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. — The Program is designed to respond to the greatest need of the people, that for basic education. Local resources will be fully used to implement the Program, which supports civilian education in skills required for basic needs.

l. FY 1990 Appropriations Act, under heading "Population, DA," and Sec. 535. Are any of the funds to be used for the performance of abortions as a method of family planning or to motivate or coerce any person to practice abortions? — N/A.

Are any of the funds to be used to pay for the performance of involuntary sterilization as a method of family planning or to coerce or provide any financial incentive to any person to undergo sterilizations?

Are any of the funds to be made available to any organization or program which, as determined by the President, supports or participates in the management of a program of coercive abortion or involuntary sterilization?

Will funds be made available only to voluntary family planning projects which offer, either directly or through referral to, or information about access to, a broad range of family planning methods and services?

In awarding grants for natural family planning, will any applicant be discriminated against because of such applicant's religious or conscientious commitment to offer only natural family planning?

Are any of the funds to be used to pay for any biomedical research which relates, in whole or in part, to methods of, or the performance of, abortions or involuntary sterilization as a means of family planning?

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

n. FY 1990 Appropriations Act Sec. 579. What portion of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, colleges and universities having a student body in which more than 40 percent of the students are Hispanic Americans, and

private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

o. FAA Sec. 118(c). Does the assistance comply with the environmental procedures set forth in A.I.D. Regulation 16? Does the assistance place a high priority on conservation and sustainable management of tropical forests? Specifically, does the assistance, to the fullest extent feasible: (1) stress the importance of conserving and sustainably managing forest resources; (2) support activities which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and help countries identify and implement alternatives to colonizing forested areas; (3) support training programs, educational efforts, and the establishment or strengthening of institutions to improve forest management; (4) help end destructive slash-and-burn agriculture by supporting stable and productive farming practices; (5) help conserve forests which have not yet been degraded by helping to increase production on lands already cleared or degraded; (6) conserve forested watersheds and rehabilitate those which have been deforested; (7) support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing; (8) support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation; (9) conserve biological diversity in forest areas by supporting efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis, by making the establishment of protected areas a

Yes. The Program has received environmental clearance. As a public education program, however, it will not directly promote environmental matters.

condition of support for activities involving forest clearance or degradation, and by helping to identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas; (10) seek to increase the awareness of U.S. Government agencies and other donors of the immediate and long-term value of tropical forests; and (11)/utilize the resources and abilities of all relevant U.S. government agencies?

p. FAA Sec. 118(c)(13). If the assistance will support a program or project significantly affecting tropical forests (including projects involving the planting of exotic plant species), will the program or project: (1) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land, and (2)/take full account of the environmental impacts of the proposed activities on biological diversity? N/A.

q. FAA Sec. 118(c)(14). Will assistance be used for: (1) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner and that the proposed activity will produce positive economic benefits and sustainable forest management systems; or (2) actions which will significantly degrade national parks or similar protected areas which contain tropical forests, or introduce exotic plants or animals into such areas? No.

r. FAA Sec. 118(c)(15). Will assistance be used for: (1) activities which would result in the conversion of forest lands to the rearing of livestock; (2) the construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undergraded forest lands; (3) the No.

colonization of forest lands; or (4) the construction of dams or other water control structures which flood relatively undergraded forest lands, unless with respect to each such activity an environmental assessment indicates that the activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development?

s. FY 1990 Appropriations Act Sec. 534(a). If assistance relates to tropical forests, will project assist countries in developing a systematic analysis of the appropriate use of their total tropical forest resources, with the goal of developing a national program for sustainable forestry? N/A.

t. FY 1990 Appropriations Act Sec. 534(b). If assistance relates to energy, will such assistance focus on improved energy efficiency, increased use of renewable energy resources, and national energy plans (such as least-cost energy plans) which include investment in end-use efficiency and renewable energy resources? N/A.

Describe and give conclusions as to how such assistance will: (1) increase the energy expertise of A.I.D. staff, (2) help to develop analyses of energy-sector actions to minimize emissions of greenhouse gases at least cost, (3) develop energy-sector plans that employ end-use analysis and other techniques to identify cost-effective actions to minimize reliance on fossil fuels, (4) help to analyze fully environmental impacts (including impact on global warming), (5) improve efficiency in production, transmission, distribution, and use of energy, (6) assist in exploiting nonconventional renewable energy resources, including wind, solar, small-hydro, geo-thermal, and advanced

biomass systems, (7) expand efforts to meet the energy needs of the rural poor, (8) encourage host countries to sponsor meetings with United States energy efficiency experts to discuss the use of least-cost planning techniques, (9) help to develop a cadre of United States experts capable of providing technical assistance to developing countries on energy issues, and (10) strengthen cooperation on energy issues with the Department of Energy, EPA, World Bank, and Development Assistance Committee of the OECD.

u. <u>FY 1990 Appropriations Act, Title II, under heading "Sub-Saharan Africa, DA"</u> (as interpreted by conference report upon original enactment). If assistance will come from the Sub-Saharan Africa DA account, is it: (1) to be used to help the poor majority in Sub-Saharan Africa through a process of long-term development and economic growth that is equitable, participatory, environmentally sustainable, and self-reliant; (2) being provided in accordance with the policies contained in section 102 of the FAA; (3) being provided, when consistent with the objectives of such assistance, through African, United States and other PVOs that have demonstrated effectiveness in the promotion of local grassroots activities on behalf of long-term development in Sub-Saharan Africa; (4) being used to help overcome shorter-term constraints to long-term development, to promote reform of sectoral economic policies, to support the critical sector priorities of agricultural production and natural resources, health, voluntary family planning services, education, and income generating opportunities, to bring about appropriate sectoral restructuring of the Sub-Saharan African economies, to support reform in public administration and finances and to establish a favorable environment for individual enterprise and self-sustaining development, and to take

(1). Yes.
(2). Yes.
(3). N/A.
(4). Yes.
(5). Yes.

into account, in assisted policy reforms, the need to protect vulnerable groups; (5) being used to increase agricultural production in ways that protect and restore the natural resource base, especially food production, to maintain and improve basic transportation and communication networks, to maintain and restore the renewable natural resource base in ways that increase agricultural production, to improve health conditions with special emphasis on meeting the health needs of mothers and children, including the establishment of self-sustaining primary health care systems that give priority to preventive care, to provide increased access to voluntary family planning services, to improve basic literacy and mathematics especially to those outside the formal educational system and to improve primary education, and to develop income-generating opportunities for the unemployed and underemployed in urban and rural areas?

v. International Development Act Sec. 711, FAA Sec. 463. If project will finance a debt-for-nature exchange, describe how the exchange will support protection of: (1) the world's oceans and atmosphere, (2) animal and plant species, and (3) parks and reserves; or describe how the exchange will promote: (4) natural resource management, (5) local conservation programs, (6) conservation training programs, (7) public commitment to conservation, (8) land and ecosystem management, and (9) regenerative approaches in farming, forestry, fishing, and watershed management. N/A.

w. FY 1990 Appropriations Act Sec. 515. If deob/reob authority is sought to be exercised in the provision of DA assistance, are the funds being obligated for the same general purpose, and for countries within the same region as originally obligated, and have the House and Senate Appropriations Committees been properly notified? N/A.

2. Development Assistance Project Criteria (Loans Only) N/A.

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 percent of the enterprise's annual production during the life of the loan, or has the requirement to enter into such an agreement been waived by the President because of a national security interest?

c. FAA Sec. 122(b). Does the activity give reasonable promise of assisting long-range plans and programs designed to develop economic resources and increase productive capacities?

3. Economic Support Fund Project Criteria N/A.

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

b. FAA Sec. 531(e). Will this assistance be used for military or paramilitary purposes?

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

5C(3) - STANDARD ITEM CHECKLIST

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

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

A. PROCUREMENT

1. FAA Sec. 602(a). Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed?	Yes. Over 74% of funds available for contracting services by A.I.D. will be available for small business bid.
2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or determined under delegation from him?	Yes.
3. FAA Sec. 604(d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company?	N/A.
4. FAA Sec. 604(e). If non-U.S. procurement of agricultural commodity or product thereof is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.)	N/A.

5.	FAA Sec. 604(g). Will construction or engineering services be procured from firms of advanced developing countries which are otherwise eligible under Code 94 and which have attained a competitive capability in international markets in one of these areas? (Exception for those countries which receive direct economic assistance under the FAA and permit United States firms to compete for construction or engineering services financed from assistance programs of these countries.)	No.
6.	FAA Sec. 603. Is the shipping excluded from compliance with the requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 percent of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates?	No.
7.	FAA Sec. 621(a). If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? Will the facilities and resources of other Federal agencies be utilized, when they are particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?	Yes. N/A.
8.	International Air Transportation Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available?	Yes.
9.	FY 1990 Appropriations Act Sec. 504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States?	Yes, it will contain such a provision.

10. FY 1990 Appropriations Act Sec. 524. If assistance is for consulting service through procurement contract pursuant to 5 U.S.C. 3109, are contract expenditures a matter of public record and available for public inspection (unless otherwise provided by law or Executive order)?	Yes.
11. Trade Act Sec. 5164 (as interpreted by conference report), amending Metric Conversion Act of 1975 Sec. 2. Does the project use the metric system of measurement in its procurements, grants, and other business-related activities, except to the extent that such use is impractical or is likely to cause significant inefficiencies or loss of markets to United States firms? Are bulk purchases usually to be made in metric, and are components, subassemblies, and semi-fabricated materials to be specified in metric units when economically available and technically adequate?	N/A.
12. FAA Secs. 612(b), 636(h); FY 1990 Appropriations Act Secs. 507, 509. Describe steps taken to assure that, to the maximum extent possible, foreign currencies owned by the U.S. are utilized in lieu of dollars to meet the cost of contractual and other services.	No contracts under the non-project assistance portion of the Program will be funded with either dollars or U.S.-owned local currencies.
13. 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?	No.
14. FAA Sec. 601(e). Will the assistance utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?	The non-project assistance portion of the Program does not entail the awarding of contracts by A.I.D.

B. CONSTRUCTION N/A.

1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services be used?

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?

3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed $100 million (except for productive enterprises in Egypt that were described in the CP), or does assistance have the express approval of Congress?

C. OTHER RESTRICTIONS

1. FAA Sec. 122(b). If development loan repayable in dollars, is interest rate at least 2 percent per annum during a grace period which is not to exceed ten years, and at least 3 percent per annum thereafter? N/A.

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

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

4. Will arrangements preclude use of financing:

a. FAA Sec. 104(f); FY 1990 Appropriations Act under heading "Population, DA," and Secs. 525, 535. (1) To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice abortions; (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization; (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; or (4) to lobby for abortion? Yes.

b. FAA Sec. 483. To make reimbursements, in the form of cash payments, to persons whose illicit drug crops are eradicated? Yes.

c. FAA Sec. 620(g). To compensate owners for expropriated or nationalized property, except to compensate foreign nationals in accordance with a land reform program certified by the President? Yes.

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

e. FAA Sec. 662. For CIA activities? Yes.

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

g. FY 1990 Appropriations Act Sec. 503. To pay pensions, annuities, retirement pay, or adjusted service compensation for prior or current military personnel? Yes.

h. FY 1990 Appropriations Act Sec. 505. To pay U.N. assessments, arrearages or dues? Yes.

i. FY 1990 Appropriations Act Sec. 506. To carry out provisions of FAA section 209(d) (transfer of FAA funds to multilateral organizations for lending)? Yes.

j. FY 1990 Appropriations Act Sec. 510. To finance the export of nuclear equipment, fuel, or technology? Yes.

k. FY 1990 Appropriations Act Sec. 511. For the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights? Yes.

l. FY 1990 Appropriations Act Sec. 516; State Authorization Sec. 109. To be used for publicity or propaganda purposes designed to support or defeat legislation pending before Congress, to influence in any way the outcome of a political election in the United States, or for any publicity or propaganda purposes not authorized by Congress? Yes.

5. FY 1990 Appropriations Act Sec. 574. Will any A.I.D. contract and solicitation, and subcontract entered into under such contract, include a clause requiring that U.S. marine insurance companies have a fair opportunity to bid for marine insurance when such insurance is necessary or appropriate? Yes.

6. FY 1990 Appropriations Act Sec. 582. Will any assistance be provided to any foreign government (including any instrumentality or agency thereof), foreign person, or United States person in exchange for that foreign government or person undertaking any action which is, if carried out by the United States Government, a United States official or employee, expressly prohibited by a provision of United States law? No.

3(A)2 - NONPROJECT ASSISTANCE CHECKLIST

The criteria listed in Part A are applicable generally to FAA funds, and should be used irrespective of the program's funding source. In Part B a distinction is made between the criteria applicable to Economic Support Fund assistance and the criteria applicable to Development Assistance. Selection of the criteria will depend on the funding source for the program.

CROSS REFERENCES:	IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED?	Yes.

A. GENERAL CRITERIA FOR NONPROJECT ASSISTANCE

1.	FY 1990 Appropriations Act Sec. 523; FAA Sec. 634A. Describe how authorization and appropriations committees of Senate and House have been or will be notified concerning the project.	Congressional Notification.
2.	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?	N/A. No legislative action is required.
3.	FAA Sec. 209. Is assistance more efficiently and effectively provided through regional or multilateral organizations? If so, why is assistance not so provided? Information and conclusions on whether assistance will encourage developing countries to cooperate in regional development programs.	No. The Program focuses on country-specific policies not subject to regional execution. It is, however, supportive of World Bank policies and goals supported through its Educational Sector Adjustment Credit.

134

4. FAA Sec. 601(a). Information and conclusions on whether assistance 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 Program supports the public sector, but will increase the flow of international trade by increasing the amount of foreign exchange available to the private sector in Ghana.
5. FAA Sec. 601(b). Information and conclusions on how assistance 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 Program is not expected to have an effect on U.S. private trade and investment.
6. FAA Sec. 121(d). If assistance is being furnished under the Sahel Development Program, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of A.I.D. funds?	N/A.

B. FUNDING CRITERIA FOR NONPROJECT ASSISTANCE

1. Nonproject Criteria for Economic Support Fund	N/A.
a. FAA Sec. 531(a). Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of Part I of the FAA?	
b. FAA Sec. 531(e). Will assistance under this chapter be used for military or paramilitary activities?	

c. FAA Sec. 531(d). Will ESF funds made available for commodity import programs or other program assistance be used to generate local currencies? If so, will at least 50 percent of such local currencies be available to support activities consistent with the objectives of FAA sections 103 through 106?

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

e. FY 1990 Appropriations Act, Title II, under heading "Economic Support Fund," and Sec. 592. If assistance is in the form of a cash transfer: (a) Are all such cash payments to be maintained by the country in a separate account and not to be commingled with any other funds? (b) Will all local currencies that may be generated with funds provided as a cash transfer to such a country also be deposited in a special account, and has A.I.D. entered into an agreement with that government setting forth the amount of the local currencies to be generated, the terms and conditions under which they are to be used, and the responsibilities of A.I.D. and that government to monitor and account for deposits and disbursements? (c) Will all such local currencies also be used in accordance with FAA Section 609, which requires such local currencies to be made available to the U.S. government as the U.S. determines necessary for the requirements of the U.S. Government, and which requires the remainder to be used for programs agreed to by the U.S. Government to carry out the purposes for which new funds authorized by the FAA would themselves be available? (d) Has Congress received prior notification providing in detail how the funds will be used, including the U.S. interests that will be served by the assistance, and, as appropriate, the economic policy reforms that will be promoted by the cash transfer assistance?

136

2. Nonproject Criteria for Development Assistance

a. FAA Secs. 102(a), 111, 113, 281(a). Extent to which activity will: (1) effectively involve the poor in development, by expanding 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; (2) 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; (3) support the self-help efforts of developing countries; (4) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (5) utilize and encourage regional cooperation by developing countries?

(1). The Program specifically targets the children of the poor through an Equity Improvement Program in order to increase their access to the public education system.

(2). As the Program focuses on the public sector, it will not specifically assist cooperatives.

(3). The Program supports an ongoing and longstanding government education reform program.

(4). The Program specifically targets girls in areas where they are disproportionately underrepresented in the public education system.

(5). The Program will not have a direct effect on regional cooperation except insofar as it improves the educational status of Ghanaians over the long term.

b. FAA Secs. 103, 103A, 104, 105, 106, 120-21. Is assistance being made available (include only applicable paragraph which corresponds to source of funds used; if more than one fund source is used for assistance, include relevant paragraph for each fund source):

(1) [103] for agriculture, rural development or nutrition; if so (a) extent to which activity is specifically designed to increase productivity and income of rural poor; [103A] if for agricultural research, account shall be taken of the needs of small farmers, and extensive use of field testing to adapt basic research to local conditions shall be made; (b) extent to which assistance is used in coordination with efforts carried out

Yes.

N/A.

37

under Sec. 104 to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value; improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people; and (c) extent to which activity increases national food security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution.

(2) [104] for population planning under Sec. 104(b) or health under Sec. 104(c); if so, extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach.

N/A.

(3) [105] for education, public administration, or human resources development; if so, (a) extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, and strengthens management capability of institutions enabling the poor to participate in development; and (b) extent to which assistance provides advanced education

(a). The Program will strengthen public sector primary education. A major component specifically targets populations currently underrepresented in the system, including especially the rural and urban poor and girls. It will also significantly improve public sector planning, management and supervision capabilities.

(b) The Program focus is on the primary education level. It will however, provide short term

135

and training of people of developing countries in such disciplines as are required for planning and implementation of public and private development activities.

30 person months offshore and 18 person months onshore training in disciplines as are required for planning and implementation in basic education.

(4) [106] for energy, private voluntary organizations, and selected development problems; if so, extent activity is:

N/A.

(i)(a) concerned with data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production; and (b) facilitative of research on and development and use of small-scale, decentralized, renewable energy sources for rural areas, emphasizing development of energy resources which are environmentally acceptable and require minimum capital investment;

(ii) concerned with technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations;

(iii) research into, and evaluation of, economic development processes and techniques;

(iv) reconstruction after natural or manmade disaster and programs of disaster preparedness;

(v) for special development problems, and to enable proper utilization of infrastructure and related projects funded with earlier U.S. assistance;

(vi) for urban development, especially small, labor-intensive enterprises, marketing systems for small producers, and financial or other institutions to help urban poor participate in economic and social development.

(5) [120-21] for the Sahelian region; if so, (a) extent to which there is international coordination in planning and implementation; participation and support by African countries and organizations in determining development priorities; and a long-term, multidonor development plan which calls for equitable burden-sharing with other donors; (b) has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of projects funds (dollars or local currency generated therefrom)?	N/A.

DRAFTER:GC/LP:EHonnold:3/20/90:2169J

140

Annex C

Logical Framework

ANNEX C
LOGICAL FRAMEWORK
GHANA BASIC EDUCATION PROGRAM

OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (OVIs)	MEANS OF VERIFICATION (MOVs)	ASSUMPTIONS
GOAL			
To establish a quality, accessible, equitable and financially sustainable Ghanaian primary education system by the Year 2000.	A. 80% of eligible children nationwide attending primary school. B. 80% of children entering primary school graduate from P6. C. 80% of children completing P6 meet the criteria established in reading, writing, and arithmetic. D. 50% gross increase, enrollment of boys and girls, target inequity areas. E. 25% increase in retention, boys and girls, target inequity areas. F. MOE funding 100% of primary education costs for "design case" education system from it's own recurrent budget by the Year 2000. G. Primary school student:teacher ratio at 40:1.	A. MOE enrollment statistics. B. MOE retention statistics. C. Criterion-referenced test scores in P6, Year 2000. D-E. MOE enrollment and retention statistics, 1991-2000. F. MOE budget and expenditure statistics. G. MOE enrollment and employment statistics.	Political stability; continued GOG adherance to ERP/SAP provisions and donor support for ERP/SAP; resultant continued economic growth at 5%.
PURPOSE			
To strengthen the policy and institutional frameworks required to assure a quality, accessible, equitable and financially sustainable Ghanaian primary education system.	**END OF PROJECT STATEMENT (EOPS)** A. Policy for increased decentralization of MOE in place; MOE financial, managerial and operational authority decentralized. B. 90% of primary schools have qualified teachers and basic teaching materials. C. Institutionalized student achievement testing system being administered. D. Equity Improvement (EI) Policy in place; EI Program being implemented. E. Adequate proportional expenditures for primary education funded entirely from MOE's own recurrent budget excluding donor funding. F. Policy and plan in place for increasing the percentage of primary school expenditures spent on teaching materials to 6%. G. Education system planning, management and supervision significantly strengthened.	A. Policy statement; PMU reports. B. PMU monitoring reports. C. PMU monitoring reports. Test scores publicized. D. Policy statement; PMU reports. E. PMU expenditure data for MOE. F. Policy statement. G. PMU reports. External EOP evaluation.	Political stability continues; Ghana continues with ERP; 5%/year average economic growth; GOG revenue as share of GDP remains at 14%. Share to education and primary stays constant.

Notes: Goal level OVIs are vs. 1989 baseline data. The "design case" system is defined as follows: Student:teacher ratio of 40:1; teaching materials 6% of MOE recurrent primary expenditures; primary budget proportionally stabilized at 1989 level; 80% enrollment and retention, P1-P6; 90% of teachers trained.

OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (OVIs)	MEANS OF VERIFICATION (MOVs)	ASSUMPTIONS
OUTPUTS			
1. MOE primary education budget and expenditure data kept in disaggregated form.	1. Primary education financial data reported and analyzed in disaggregated form.	1. PMU reports.	
2. Primary school budget stabilized as proportion of MOE recurrent budget.	2. Primary school budget as proportion of overall MOE recurrent budget held at 1989 levels.	2. MOE budget data.	
3. Primary school expenditures in line with budget levels.	3. Primary school expenditures in line with budget levels.	3. MOE expenditure data.	
4. Increased proportion of primary school expenditures spent on teaching materials.	4. Percent of primary school expenditures spent on teaching materials increases to 6% by 1994.	4. MOE expenditure data.	4. Emolument reduction from RIFs continues, permitting expanded materials budget. Teacher's Union agreement.
5. Adequate teaching materials available in primary schools.	5. 90% of primary schools have basic teaching materials.	5. PMU reports; USAID spot checks.	
6. Greater financial, management and operational authority in hands of district level MOE employees.	6. Decentralization Plan drafted, approved and implemented.	6. Decentralization Plan; PMU reports.	
7. Primary school teacher quality at minimum levels.	7. 90% of primary school teachers trained to to minimum standards.	7. Published Staff Development Plan. PMU implementation reports.	
8. Improved primary school system equity.	8. Equity Improvement Program drafted, approved and implemented for pilot areas.	8. GOG-approved plan acceptable to AID; PMU implementing reports; PLI Monitoring Reports.	
9. Student achievement being systematically tested.	9. Criterion-referenced tests developed, administered; results publicized.	9. MOE public announcements; copy of test; results published.	
10. Program evaluated.	10. Evaluations conducted.	10. Evaluation reports.	

F3

OBJECTIVE	OBJECTIVELY VERIFIABLE INDICATORS (OVIs)	MEANS OF VERIFICATION (MOVs)	ASSUMPTIONS
INPUTS			
USAID:			
1. US$ 32 million in foreign exchange.	1. Dollars disbursed by USAID.	1. PILs.	1. CPs met.
2. US$ 3.0 million as follows:	2. Dollars disbursed by USAID.	2. PIRs.	2. CPs met.
2A. Short-term TA.	2. 64 p-m short-term TA provided (30 off-shore, 34 onshore).	2A. USAID PIRs.	2. MOE/USAID agreement on needs.
3A. Short-term specialized Training.	3. 65 p-m short-term specialized training provided (35 offshore, 30 onshore).	3A. USAID PIRs.	3. MOE/USAID agreement on needs.
4A. Long-term TA.	4. 56 p-m long-term TA as Assistant HRD Officer.	4A. USAID PIRs.	
5A. Evaluations, financial assessments, and financial management reviews.	4. Evaluation, and financial reports.	5A. Report documents.	
GOG:			
5. Cedi equivalent of $32 million in U.S. dollars, programmed to support the Ghana primary education budget.	5. Cedi equivalent disbursed by MOE, estimated as follows in cedi equivalent:	5. Annual MOE budgets; Annual MOE expenditure reports.	5. Cedis made available by MFEP and transferred to MOE.

Annex D

Borrower/Grantee Request for Assistance

In case of reply the number and date of this letter should be quoted.

Our Ref. No. USA/C/10.6

Your Ref. No.

Tel. No.

REPUBLIC OF GHANA

MINISTRY OF FINANCE AND ECONOMIC PLANNING
P.O. BOX M.40
ACCRA

21 May, 90.

Dear Mr. Towery,

REQUEST FOR A FINANCIAL ASSISTANCE
GRANT OF $35 MILLION FOR PRIMARY EDUCATION

The Government of Ghana hereby requests a financial assistance grant of approximately US$35 million to help improve the delivery of primary education to Ghanaian children.

The programme would involve a cash transfer through the foreign exchange auction of US$32.0 million to be released in tranches upon performance of reforms in the education sector. An additional US$3 million would be provided to finance off-shore costs related to the programme.

The counterpart funds generated will be used to support activities that promote programme objectives, such as the provision of text books and teaching/learning materials, improved supervision, teacher training, and incentive programmes. The ultimate goal is to create a primary education system that provides quality education for all Ghanaian children on a financially sustainable basis.

I believe that your staff and mine have worked well together in exploring the feasibility of this programme, and we look forward to negotiating and implementing such a proposed programme with USAID as soon as possible.

Yours sincerely,

(DR. KWESI BOTCHWEY)
PNDC SECRETARY FOR FINANCE
AND ECONOMIC PLANNING

MR. F. GARY TOWERY
A.I.D. REPRESENTATIVE
P. O. BOX 1630
A C C R A.

cc: PNDC Secretary
Ministry of Education
A c c r a.

146

Annex E

Institutional and Technical Feasibility Analysis

ANNEX E

INSTITUTIONAL AND TECHNICAL FEASIBILITY ANALYSIS

1.0 IDENTIFICATION OF ORGANIZATIONS

The PREP Program will work directly with three major organizations in Ghana, the GOG's Bank of Ghana (BOG), Ministry of Finance and Economic Planning (MFEP), and Ministry of Education. The roles of the BOG and MFEP during PREP implementation will be limited, the former to continued operation of the foreign exchange auction system and the latter to the control and oversight of local currency generated by PREP. An analysis of relevant aspects of the BOG and MFEP are presented in Scts. 2.0 and 3.0, respectively. An analysis of the MOE, the lead GOG institution responsible for implementation of PREP, is presented in Sct. 4.0.

2.0 BANK OF GHANA

2.1 INSTITUTIONAL RESPONSIBILITIES

During more than 30 years of operations, the Bank of Ghana (BOG) has been responsible for the issuance and management of currency, regulation and control of foreign exchange, monetary and credit policies, bank supervision, and development and promotion of a healthy banking system.

The BOG's roles and responsibilities in operation of the foreign exchange regime will affect the PREP Program, particularly the BOG's continuing efforts to 1) liberalize the exchange regime by ensuring smooth functioning of the auction market; 2) increase the role of commercial banks and other dealers in mobilizing foreign exchange, in part through the forex bureaus, and 3) reduce disparities between auction and forex bureau or parallel exchange rates.

2.2 THE FOREIGN EXCHANGE ALLOCATION SYSTEM

There are two legal sources of foreign exchange (FX) in Ghana: the weekly FX auction and the "forex" bureaus. The current dual rate system has supplanted the restrictive trade regime in place at inception of the ERP. During the first two years of the ERP, the BOG operated a system of import programming or licensing in which it allocated scarce foreign exchange (FX) among competing uses. This was accompanied by a system of exchange control for rationing use of FX for service transactions (e.g., workers, profit and dividend remittances), and supervision of special exemptions for exporters (e.g., those using supplier's credits, special retention accounts for debt servicing, or procuring vital production inputs). With introduction of an auction system in 1986, the BOG's role in administering the foreign exchange regime was fundamentally changed.

2.2.1 The Bank of Ghana (BOG) Weekly Foreign Exchange Auction.

The weekly auction was instituted in 1986 as an interim mechanism for developing a market-based system of allocating FX and liberalizing the trade regime. It is currently the longest-running FX auction market in Africa and has facilitated the re-orientation of foreign exchange allocation from administrative controls and licensing to a more market-based system.

The auction is used mainly for financing imports. Private importers submit a pro forma invoice and bid documentation indicating the types and amounts of foreign currency requested and the cedi rate offered in dollar terms. The importer also submits, usually through a commercial bank, a bank guarantee or authorization that permits the Bank of Ghana (BOG) to debit the bank's account with 100% of the cedi equivalent of a successful bid. The bids are lodged with the BOG in time for the auction to be conducted on Friday afternoons.

Clearing of the auction is supervised by a foreign exchange auction committee, composed of representatives from the BOG, GOG ministries and the private sector, which determines eligibility of applications. The auction market is cleared when the requests for FX for that week matches the allocation of FX to the market during the week. The official market exchange rate is the marginal exchange rate for the US dollar at which the supply of FX satisfies the demand. This rate applies to all official FX transactions for the following week. Under the prevalent Dutch auction system, a successful bidder pays the bid rate and any remaining FX is prorated if there is more than one bidder at the marginal rate. The exchange rate of the cedi to other currencies than the US dollar is determined by the BOG based on the average weekly exchange rate of those currencies to the dollar in the international market.

The results of the auction are made available every Friday afternoon, and published in the press on Saturdays, indicating the numbers of bidders and successful bids, highest and lowest bids offered, the marginal rate and the total FX supplied by the BOG and level of demand during the week. With this information and the list of winners, the BOG matches the requests for various foreign currencies with the available sources of funds, taking into consideration donor restrictions on commodities and source/content. At present, several donors supply funds to the auction and source/origion/commodity restrictions have been minimized to facilitate expeditious disbursement of foreign funds through the auction.

After matching funds, the BOG transfers the foreign exchange into a blocked account in the name of the bidder's bank which pays the BOG the full cedi value of the FX. The bidder's bank finances the import transaction upon the bidder paying the full cedi equivalent of the FX or fulfilling financing arrangements satisfactory to the bank.

2.2.2 The Forex Bureaus

The BOG began licensing institutions, including banks, and individuals to operate forex bureaus in February 1988. At present, there are over 140 bureaus in operation countrywide. FX bureaus are

permitted to deal in eight major currencies: the US dollar, pound sterling, German mark, Swiss franc, French franc, Canadian dollar, CFA franc and Japanese yen, as well as travellers cheques in US dollars and pounds sterling. The supply of and demand for FX at the bureaus are market-determined at daily prices freely quoted by each bureau. Bureaus obtain their supply of FX from private sources, including retained FX earnings of some exporters (excluding cocoa and mining), remittances, interest earnings, private foreign savings, and FX held by the public. The average monthly value of transactions has ranged between US$ 6-9 million, with the US dollar and CFA franc being the most dominant currencies traded.

2.3 OPENNESS OF THE ALLOCATION SYSTEM

2.3.1 The Auction

All firms and individuals who meet the eligibility criteria are free to participate in the auction market. Auction transactions are conducted openly and are open to observers. Access to the auction has been widened to include funding of all imports, except five categories on a negative list (beer, stout, cigarettes, cement pipes, roofing sheets, and asbestos and fibers) and imports prohibited for non-trade reasons. All bona-fide requests for FX for business travel and transfers of profits and dividends are also eligible. Thus, only a few restrictions, relating mostly to invisible transactions, remain in effect as of the end of 1989 on payments and transfers for current international transactions. Reflecting the low level of imported inputs in Ghanaian agriculture, industry (especially, textiles, metal, brewery and plastic & rubber) receives the largest share (about 50%) of FX from the auction followed by transport. Agriculture receives less than 10% of auction funds while use of the auction for importing consumer goods is limited.

2.3.2 The Forex Bureaus

All import transactions are permitted at the forex bureaus. Money is changed over the counter, transactions take place on a strictly confidential basis, and no records are kept on clients. No information on documents other than simple encashment or sales receipts are demanded on transactions with the bureaus. Bureaus are only required to report to the BOG monthly on total purchases and sales of currencies and their respective rates; beyond this, their operations are entirely free of bureacratic encumberances.

2.4 DEPENDENCE OF THE FX MARKET ON MARKET FORCES

At the inception of the Economic Recovery Program (ERP) in 1983, Ghana's foreign exchange regime was that of a typical African country, characterised by FX rationing through import licensing, currency controls, fixed and grossly overvalued exchange rates, a booming black market and lack of FX for personal transactions. The centerpiece of the ERP has been the focus on achieving a flexible exchange rate and liberalized trade system to restore market incentives in the economy.

The auction has functioned well in reorienting the nature of the foreign exchange (FX) system. Total amounts of FX handled has increased from $37 million in 1986, to $204 million in 1987 to $342.7 million in 1989. Total demand in 1989 was $354.5 million. The average weekly supply in 1989 was $6.7 million vs. an average weekly demand of $7.1 million (over 50 auctions). Econometric analysis of the auction market by IBRD shows the weekly marginal rate is significantly affected by the rate determined, as well as unmet demand at the previous auction, which signifies market behaviour. The demand for foreign currencies is dominated by the US dollar (more than 50% of total demand) followed by the UK pound (about 20%). Transactions at the bureaus respond entirely to market forces. During 1989, the spread between the auction and bureau exchange rates has narrowed considerably, reflecting the effects of GOG measures to integrate the two markets. The spread as of late April 1989 was only 11%. Since inception of the auction, the auction rate has increased some 146% compared with an increase in bureau/parallel market rate of 77% (Table E-1).

TABLE E-1

AUCTION AND PARALLEL FOREIGN EXCHANGE RATE CHANGES, 1986-1990

	Date			1986-1990
	9/86	7/88	4/90	% Change
Auction Rate	128	211	315	146.1
Parallel Rate	198	265	350	76.8
Percent Difference	54.7	25.6	11.1	

The requirement to obtain import licences in order to access the auction has been abolished; this has eliminated the major source of bureacratic intervention. The following reforms will be undertaken to achieve a unified foreign exchange market and flexible exchange rate this year, as agreed with IBRD and the IMF.

Under the Structural Adjustment Program (SAP), the GOG is moving to achieve convergence of exchange rates from the two markets that will result in a realistic exchange rate in the context of a unified market by June 1990, and a complete liberalization of payments and transfers for current international transactions. The program for unification is two-phased. In the transitional phase, up to the second quarter of 1990, the BOG will narrow the spread by implementing special auctions to allow access of forex bureaus to a larger share of auction funds relative to the regular auction. The special 'wholesale' auctions will be open only

to authorized foreign exchange (FX) dealers (including the banks and bureaus) with a view to ensuring that end-users obtain FX from the regular auction or bureaus. At least 50% of the supply of FX from the Bank of Ghana (BOG) will go to the special auctions.

In phase two, the two markets will be unified and the regular `retail' auction discontinued such that the BOG will no longer be involved in retailing FX to the non-government sector. Under the extended interbank system, the exchange rate will be determined freely by the supply of and demand for FX between the banks, dealers and customers. There will be weekly auctions at which the BOG will supply dealers', including banks', demand for FX; the exchange rate determined at this auction will only be used for valuation of official transactions while open market rates will apply to transactions among dealers and between them and customers. Other complementary reforms in international payments and export earning retention will facilitate the achievement of a unified market for FX in Ghana by the end of 1990.

2.5 BOG AND DONOR EXPERIENCE WITH THE AUCTION

Some bilateral donors using the auction have somewhat restrictive eligibility requirements on sources and commodities. The Dutch, for example, restrict the source to Holland or Third World Countries and commodities to agricultural inputs, raw materials for industry or agriculture, spare parts, or bitumen. A French agreement signed in December 1987 for FF 26.5 million restricts the source to France and the Franc zone, and commodities to raw materials, spare parts and vehicles. Somewhat more onerous requirements by other bilaterals, including the U.K. with program assistance requiring 100% U.K. content, and multilateral sectoral import programs (e.g., ADB fertilizer imports) encountered difficulties in using the auction and the rate of disbursement was unsatisfactory. These and other funds are now disbursed in separate accounts at the auction rate. The World Bank and the IMF have strongly urged donors to utilize the auction, however, and other bilaterals (Swaziland, Germany, Japan) are using or are considering participation in it.

Most observers expect these rates to further converge, with bureau rates increasing slower than auction rates. The BOG does not expect a unified rate, because these markets will continue to be segregated for reasons of both transaction costs and the fact that there will continue to be some capital flight which, in some ways, has been facilitated by the bureaus. Regarding recent draft guidance that the PAAD analyze potential problems of capital flight, it should be noted that the bureaus were established to generate proportionately larger inward remittances and service transactions relative to losses through capital flight, thus making this a desirable feature of the foreign exchange regime. Nonetheless, the facilitation of capital flight makes use of the bureaus for official flows of donor assistance somewhat problematical.

For donors, use of the Bureaus would also be very difficult because there are no established arrangements for obtaining information required by the donors. Even information on the amount of the donor's grant actually

sold and cedis generated would be impossible to obtain from the bureaus since they do not report on sources. Moreover, some use of the currency for capital flight would be unacceptable.

2.6 RECOMMENDATIONS

Since establishment of the auction in 1986, both the World Bank and the IMF have strongly urged bilateral donors to follow their lead in using the auction and to move increasingly toward quick-disbursing forms of program assistance that can be channeled through the auction. Most donors do so. Recent moves to expand the demand for funds via the auction should also be accompanied by an increased supply of funds, more than half of which has been coming from donor sources.

While the difference between auction and Forex Bureau rates remains significant, it has decreased from 54 cedis per dollar in July 1988 to 35 cedis in April 1990. USAID believes that there will be further convergence over the coming months and that adequate time should be accorded the GOG to bring this about. Moreover, the World Bank believes that the GOG will take steps to achieve a unified and market-determined exchange rate during 1990 by replacing the present duel exchange rate system with an extended interbank system supported by weekly wholesale auctions conducted by the BOG. Under this new system, the exchange rate of the cedi would be determined freely by the supply and demand for foreign exchange among banks, including the BOG, and other authorized dealers and their customers.

Given these policy considerations, and the implementation problems associated with working through the Bureaus, it is recommended that an exception be made to the exchange rate policy to permit exchange of PREP dollars through the Bank of Ghana's auction system.

3.0 MINISTRY OF FINANCE AND ECONOMIC PLANNING

3.1 RESPONSIBILITIES

The Ministry of Finance and Economic Planning (MFEP) is responsible for management, coordination and oversight of all macro-level financial and economic planning affairs of the GOG. While policies and programs may be initiated from within or outside MFEP, they are in all cases coordinated and in some instances implemented by MFEP. MFEP has been the GOG's lead ministry for design and coordination of the Economic Recovery Program. Other governmental agencies that initiate macro-level financial and economic policies include the BOG and the National Revenue Secretariat.

The MFEP controls economic policies and budgetary allocations through government policy papers, annual budgets, development plans such as the ERP, and/or the rolling three-year Public Investment Program (PIP).

3.2 ORGANIZATION

MFEP is headed by a Secretary, assisted by a Deputy, and has six divisions (Fig. E-1). MFEP staff are grouped in three broad categories, technical, administrative and support; hierarchy and roles within the key divisions are shown in Tables E-2 and E-3, respectively.

TABLE E-2

MFEP HEIRARCHY

Technical Division	Administrative and Budget Divisions
Chief Director	Chief Director
Chief Economic Planning Officer	Principal Secretary
Principal Economic Planning Officer	Principal Assistant Secretary
Senior Economic Planning Officer	Assistant Secretary III
Economic Planning Officer	Assistant SEcretary IV
Assistant Economic Planning Officer	Assistant Secretary IV

TABLE E-3

MFEP ROLES

Planning and Research
- formulation of the program
- programming of funds
- definition of policy studies
- monitoring of policy reforms
- monitoring of APPP overall

International Economic Relations
- negotiations of the Agreement
- responsibility for monitoring counterpart funds
- advising Budget Division on release of counterpart funds

Budget Division
- ensuring that LC funds are budgeted for in the various activities to be supported
- release of funds to the implementing agencies
- monitoring of drawdown of funds, expenditures

PIP Task Force
- Programming of funds in the Public Investment Program

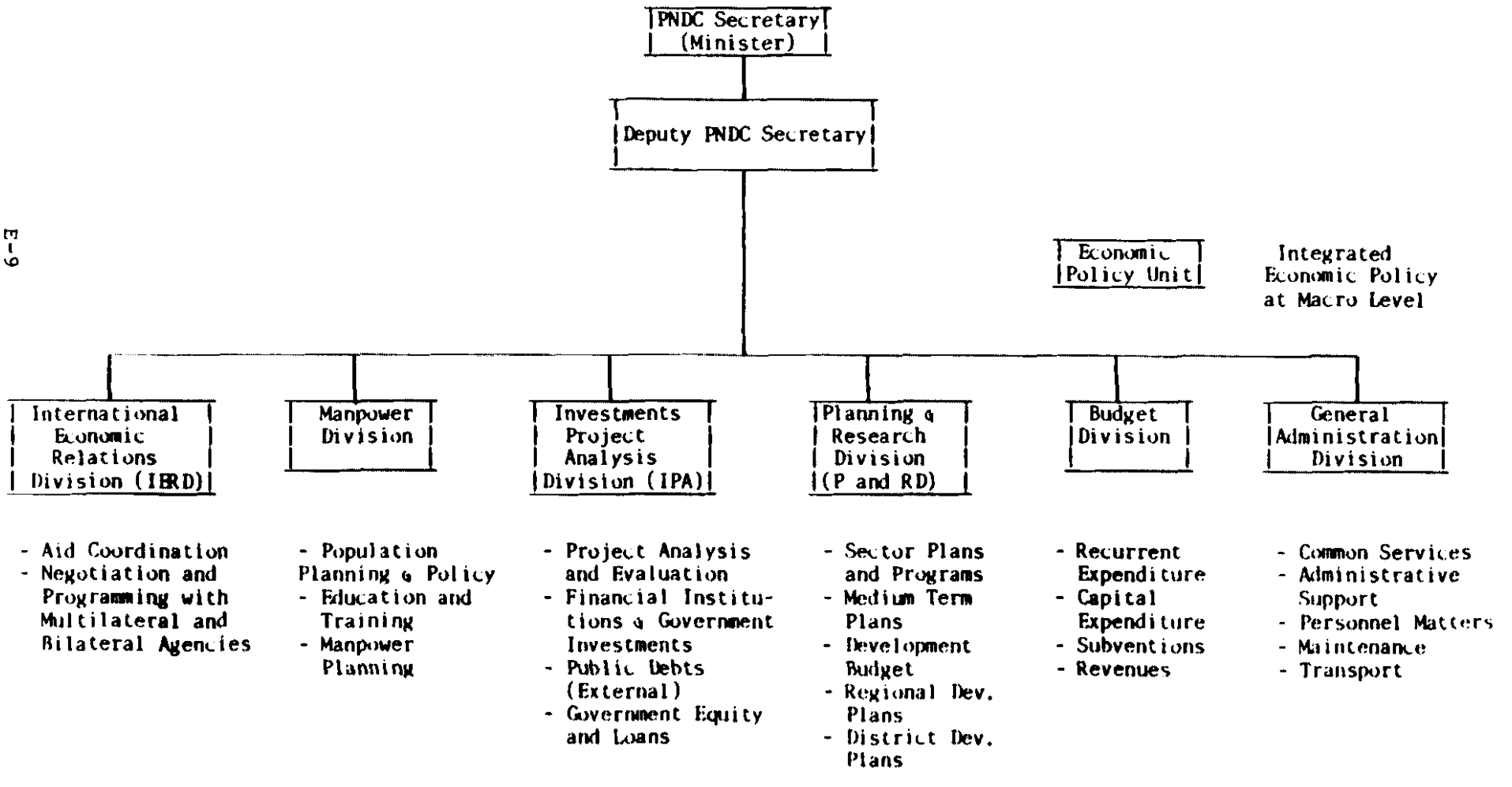
3.3 CAPABILITIES AND CONSTRAINTS

MFEP will have minimal implementational responsibility for PREP, and MFEP professional staff are believed to be capable of handling the limited additional load that the Primary Education Program (PREP) will place on the ministry. Some senior personnel have advanced degrees and considerable experience in planning and policy design and implementation in Ghana, and other officers have bachelors-level training in planning, and experience working on issues in the educational sector. Most key divisions of MFEP with PREP responsibilities have extensive experience in budgeting and monitoring the expenditures of GOG implementing agencies, including counterpart funds, and are taking measures to improve procedures. PREP procedures will generally conform to those already established and regularly used by MFEP.

The main constraints faced by MFEP include: 1) inadequate logistic support for effective monitoring and inspection; 2) lack of funds for payment of adequate out-of-station allowances for staff who go to the field for physical inspection and monitoring; and 3) lack of training opportunities for some staff in project planning and monitoring.

FIGURE E-1

ORGANIZATION AND FUNCTIONS
MINISTRY OF FINANCE AND ECONOMIC PLANNING



4.0 MINISTRY OF EDUCATION

The Ministry of Education (MOE) is the principal GOG organization through which the Primary Education Program (PREP) will work, and the lead GOG ministry for PREP implementation.

4.1 INTRODUCTION

4.1 The Structure of Education in Ghana

The formal educational system is structured in three levels, first, second and third cycle education. These cycles have been considerably changed by the Educational Reform Program. Fig. E-2 illustrates their structure prior to and after the reform. Table E-3 shows the numbers of schools in Ghana and students by level and region.

First Cycle. First cycle education has been reduced from twelve to nine years. First cycle begins with lower level primary school spanning grades 1-6 and taking in pupils aged 6 to 12 years. Nursery (1 year) and kindergarten (2 years) are optional, but increasingly popular particularly in urban areas. About 200,000 children attend nursery and kindergarten. Primary school is free and compulsory while nursery and kindergarten costs are borne by the parents. In 1989 there were approximately 10,000 primary schools in operation containing 63,000 teachers and 1,606,000 pupils. Official enrollment rates for the 88-89 school year were about 74%.

By the 1989/90 school year, Junior Secondary Schools (JSS) will have entirely replaced Middle Schools for the upper level of the first cycle. Continuation schools spanning grades 7-10, and offering specialized (and usually terminal) programs have also been discontinued. The Junior Secondary Schools cover grades 7-9 following six years of primary school. Developed as an alternative to the traditional academic-based curriculum of the Middle School, Junior Secondary Schools offer a curriculum combining academic subjects with practical and vocational training. JSS graduates sit a national examination, the Basic Education Certificate Examination (BECE). Currently there are 5,200 JSS and 3,500 Middle Schools, containing 610,000 pupils and 40,500 teachers. Total enrollment in grade 7-9 (JSS and Middle) has increased by about 30,000 from 1988-89.

The private sector in primary education has historically served a small (5%) portion of the total enrollment and is maintaining that position with little change. Most private schools are on the primary level, and most of these are in the larger cities. Except for a few outstanding private primary schools, most suffer from the same problems as the public schools and those managed by various religious organizations. Private schools receive no government aid for salaries or material. However, they and the religious schools must follow MOE curricula and policies. Religious schools receive teachers from the Government and are closely supervised by the Ghana Education Service (GES). Approximately one third of Ghana's schools are religious-based including about 40% of all primary schools. There are 11 major religious denominations with established

FIGURE E-2

GHANA

EXISTING AND PROPOSED STRUCTURE OF THE EDUCATIONAL SYSTEM

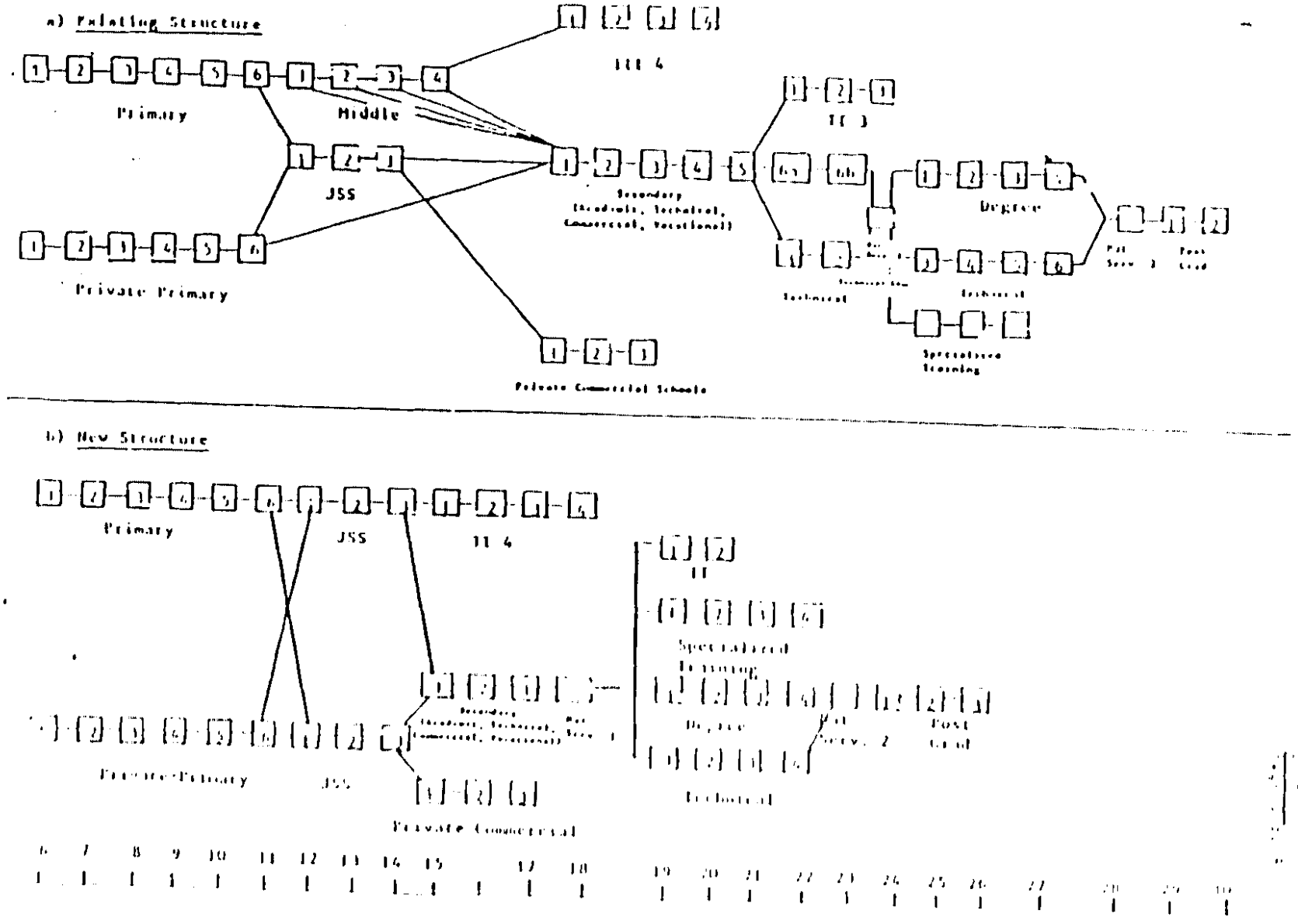


Table E-3

DISTRIBUTION OF PRE-UNIVERSITY EDUCATIONAL INSTITUTIONS IN GHANA

	Type of Educational Facility				
Region	Primary Schools (1)	Junior Secondary (2)	Secondary Training Schools (3)	Initial Teacher Colleges (4)	Poly-technic (5)
Greater Accra	497	379	25	2	1
Eastern	1,602	853	44	6	-
Volta	1,066	706	35	7	1
Central	970	635	26	3	1
Western	1,046	556	20	3	1
Ashanti	1,547	942	49	7	1
Brong Ahafo	1,225	640	22	3	-
Northern	891	195	11	3	1
Upper East	287	132	7	1	-
Upper West	237	131	6	3	-
Total	9,368	5,169	245	38	6

primary schools throughout the country. The Roman Catholic, Methodist, and Presbyterian denominations, have over 1,500, 900 and 800 primary schools, respectively. Roman Catholic schools are most prevalent in the North, Upper West, East, and Volta Region. The Presbyterians are most active in the East and the Methodists in the Central region. However, all the major churches have primary schools throughout the country.

The number of primary schools has increased at a rate of about 2.5% per year, including Government, religious and private instituitions. The GOG neither actively encourages nor discourages private education.

Second Cycle. Currently, there are 154,000 students and 7,806 teachers in 240 Secondary Schools across the nation. Beginning in 1990/91 the Government will initiate the first of three years of the new Senior Secondary Schools (SSS). The SSS reform has been developed to reduce the number of years for pre-university training and provide a more practical curriculum. Each SSS will have a core curriculum consisting of given subjects: English, Ghanaian languages, science, mathematics, agrico-environmental studies, life skills and physical education. Five specialized programs, two or more of which will be available at each SSS, will also be offered: Agriculture, Business, Technical, Vocational and

General program. Each specialized program will contain several options. For example the Technical program will have five options: construction, metal work, wood work, applied electricity and auto mechanics. Internal and external assessments/examinations will be made for all subjects except physical education.

The new Senior Secondary School (SSS) will replace the current Secondary technical and vocational schools which are based upon the traditional British model. Currently, Secondary Schools are academic institutions geared to preparing students for the General Certificate in Education: Ordinary ("O") Levels and Advanced ("A") Levels. Selection into SSS was by the competitive Common Entrance Examination (now abolished).

Secondary schools offer both terminal and continuing education. Fifth form students may leave school upon completion of their "O" Level exams and enter the labor market. Alternatively, a small percentage continue to the sixth form and to third cycle institutions other than university. About one-third of all "A" Level students go on to university training.

There is a variety of technical and vocational schools (including commercial schools) at the second cycle level, both government and privately sponsored. Most are residential. Admission is selective, based on student performance in the CEE. These institutions provide a wide variety of full-time, part-time and apprenticeship programs of study. Many programs lead to the certificate level of training. Enrollment in government technical/vocation programs at the secondary level is currently estimated at about 15% of total secondary enrollment.

In 1989 all feeding subsidies were withdrawn from secondary schools. These funds have been re-directed toward school maintenance.

Third Cycle. There are three universities in Ghana: The University of Ghana at Legon which offers undergraduate and graduate degree programs in Arts, Sciences, and a limited number of other technical and professional fields including medicine and law; the University of Cape Coast which prepares teachers and education specialists at the undergraduate and graduate levels; and the Scientific and Technical University at Kumasi which focuses on engineering, technical and scientific training at the undergraduate and post-graduate levels. Admission to all universities is based on "A" Level examination results. Until recently, tuition and boarding costs were fully paid by the Government and all graduates are bonded for five years of government service following completion of their degree. As part of the reform, students must pay tuition, room and board. Loans are made available to them, however. Other cost-saving measures are being undertaken as part of the reform program. These include retrenchment of 3,000 non-teaching staff, and a freeze on new hiring of all additional staff.

Regional Colleges of Applied Arts Science and Technology (RECAAST). The MOE plans to reorganize all tertiary/institutions, except Universities, into the RECAAST system. The RECAAST will include all pre-service post-senior secondary institutions such as Teacher Training Colleges, Nurses Training Colleges and Agricultural Training Colleges. The RECAAST institutions will be career-oriented and will offer a wide variety of programs in the fields of Education, Health, Agriculture, Science and Technology.

4.1.2 Historical Setting

Educational Developments to 1970. Ghana's education system by the mid-1960s was among the most advanced in Africa with as high an enrollment rate as 75% for the 6-14 year-old group. By the late 1960s, expenditures and the participation rate of school-age children began to fall as did the proportion of trained teachers in first cycle schools. This decline accelerated in the early 1970s because of more adverse economic conditions. These had the greatest impact on rural schools and the poorest segments of society. Recognition of the high cost, length and inefficiency of the formal educational system set the stage for the reforms that were eventually introduced.

Educational Reform in the 1970s. The problems of growth and falling standards in education spilling over from the late 1960s culminated in the government commissioning a study on a possible change of form and content of the educational system. The resultant Dzobo Committee Report, "The New Structure and Content of Education for Ghana," was approved by government for implementation in 1974. To facilitate implementation of the reform a new institutional structure, the Ghana Education Service and its governing council, was installed. The key element in the recommendations made was the shortening of pre-university education from 17 to 12 years for all children. The curriculum was also changed and Ghanaian languages were introduced at all levels. They now constitute the medium of instruction for the first three years. The third major development in the reform was the introduction of practical and vocational skill training, especially at the grade 7-9 level.

It was contended that the skills and attitudes of the Ghanaian youth needed to be changed to enable them to become productive farmers or skilled artisans and craftsmen ready to work for their own, their community's and their country's development.

The Reform program and particularly phasing in of the JSS program was slow and limited. To ensure representation, nine experimental Junior Secondary Schools were established in 1976, one in each region. An additional eight, mainly practice or demonstration schools attached to the 3-year Post-Secondary Teacher Training Colleges, were established in 1977. The reform encountered a great deal of opposition, especially from influential persons in the society. Some exhibited anxiety because of lack of knowledge about the eventual outcome of the reform. Others were convinced that the reforms were unnecessary. Fears were also expressed about the content of the school curricula. Comments such as "they want to make carpenters and masons out of our children" were common. Essentially, the opposition from the educated and middle class and the continuing economic decline blocked attempts at implementing the reform.

However, economic and educational decline accelerated. By the early 1980s the system had reached its lowest point and funding for all aspects of the system was grossly inadequate. There was a large-scale exodus of teachers. Working conditions, teacher morale, staffing, supplies of textbooks, teaching aids, and writing materials all seriously declined. Physical infrastructure deteriorated due to lack of budgetary support for maintenance and replacement and new construction of schools was virtually halted. The proportion of GDP devoted to education declined steadily

from 6.4% in 1976 to 1.4% in 1984. From 1978-1984, primary school enrollment declined by 30% and middle school by approximately 25%. The decade from 1975-1984 was also characterized by high drop-out rates, an increase in inequities between regions and sexes, and a serious drop in the achievement levels of graduates from primary and middle schools.

The Educational Reform Program. As a result of these declines, the PNDC government sought external assistance to implement a structural and functional change of the entire educational system along the lines recommended in the 1974 document. In the mid-1980s the reform plans were revived and discussions began with IBRD to provide economic support for their implementation. The report of a National Commission on Basic Education in 1986 set out the official package of reforms supported by the GOG.

The reforms seek to increase access to education at the basic level (ages 6-14), improve the relevance of the curriculum, increase equity, and make the system more cost-effective. The reforms recast the education structure from 17 years of pre-university training to 12. Under this structure the country provides nine years of basic education consisting of six years of Primary School and three years of JSS. Basic education is compulsory, free except for book and materials fees, and provided to all in the six to fifteen year old age group. It is followed by three years of SSS education and four years of University study, which is to have competitive entrance standards. The old system, presently being phased out, has six years of Primary School, followed by four years of Middle School, five to seven years of Secondary School and a three year University program. Currently only about 65% of the primary school age population and 55% of the middle of JSS age group attend school. Reducing the number of years of schooling and improving system efficiency is intended to provide better, more relevant education to larger numbers of pupils at a cost which can be supported by Ghana in the future.

The reform reorients the curriculum at all levels to a more practical and vocational focus. Six developmental objectives have been formulated for Primary School children: 1) literacy and numeracy; 2) inquiry and creativity; 3) sound moral attitudes and appreciation of cultural heritage; 4) adaptability; 5) manipulative skills, and 6) good citizenship. In the last two years syllabi and text books have been completely rewritten and provided to all JSS students at low cost. In-service and pre-service teacher training programs are being developed to orient JSS teachers and headmasters to the new reforms and curricula. Over 4,000 Junior Secondary Schools have been established in the past two years and the Middle Schools and Continuation Schools have largely been phased out. Plans have been formulated for the phased replacement of the existing secondary schools with new three year Senior Secondary Schools beginning in Fall 1990. New curricula, syllabi, and tests are being written and in-service and pre-service teacher training to introduce the new approach is being designed.

The reforms also seek a greater involvement of communities in the schools both as a means of sharing costs for text books, furnishings and school buildings and as a means of insuring greater accountability of the school to the community. For example, text book fees have been instituted and boarding subsidies gradually removed. Local communities are required to

162

provide buildings and furnishings for their schools. Plans being formulated for a new district education organization will soon be implemented, and will give local districts and communities more authority and responsibility for monitoring and financing Primary and Junior Secondary Schools. Subdistrict organizations such as Village Development Committees and Parent Teacher Associations (PTAs) are also encouraged to take a more active role in their schools.

4.2 ORGANIZATIONS DELIVERING PRIMARY EDUCATION

4.2.1 The Ministry of Education (MOE)

The MOE is responsible for the delivery of educational services for all Ghanaians, primary one (P1) through university. It sets policy, implements programs, and monitors and evaluates the formal system. The Secretary for Education, a political appointee, is assisted by three Deputy Secretaries - for School Education (basic and secondary education), Higher Education, and Culture. There is also a Coordinator for Nonformal Education with Deputy Secretary line authority. Each region of the country has a Regional Office, headed by a Director and responsible for implementing MOE policies. Each region is subdivided into District Education Offices (DEOs), headed by Assistant Directors reporting to the Regional Offices. There are 110 DEOs, corresponding to the number of Districts nationwide. As part of the MOE's plans to decentralize authority, it has begun upgrading the DEOs to Director status. The Minister is assisted by the National Education Commission in the formulation of policy. In fact, policy is formulated, as in most countries, through the interaction of the Government (the PNDC), senior civil servants, and public opinion. An organization chart of the MOE is presented in Fig. E-4.

4.2.2. The Deputy Secretary for School Education

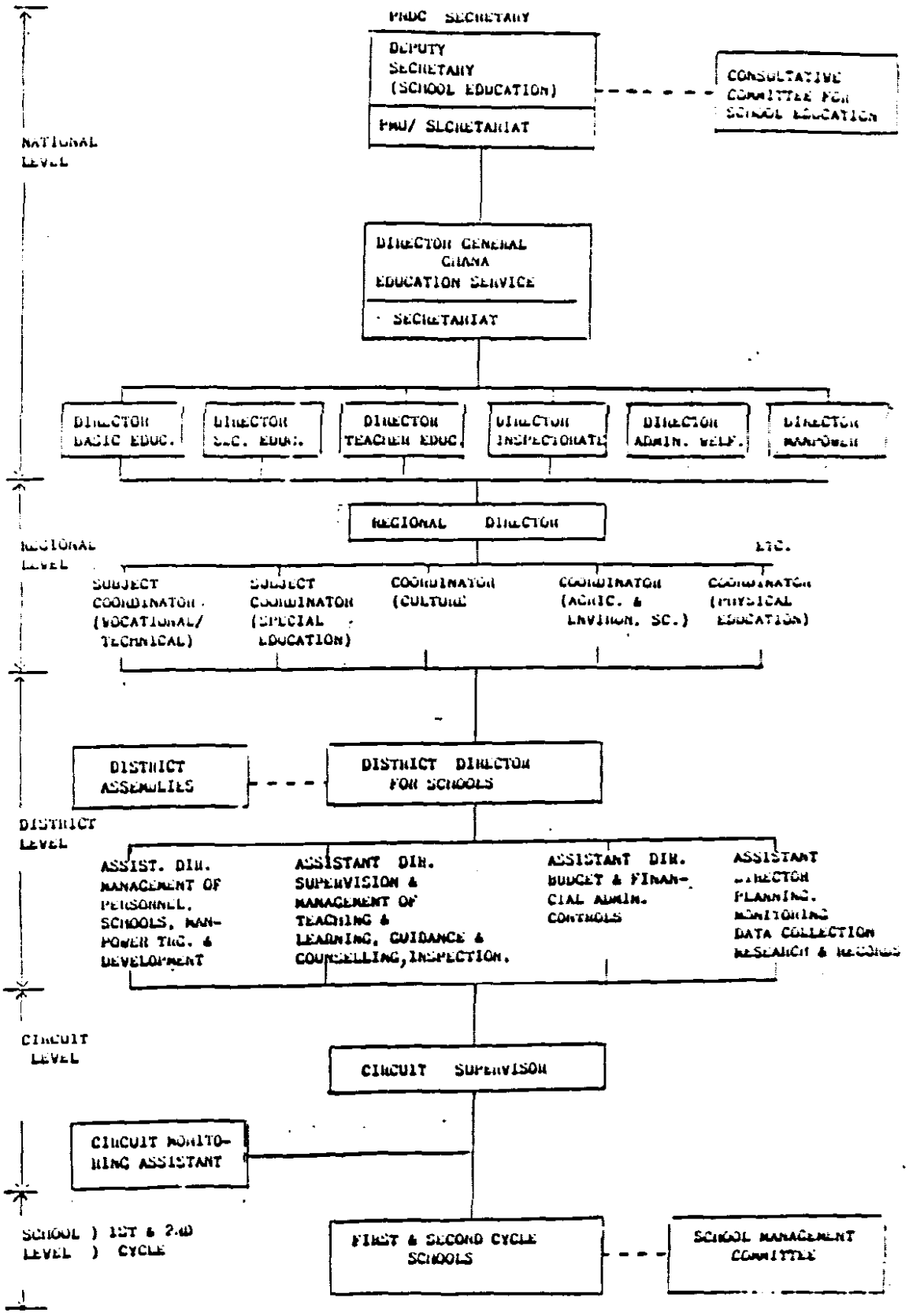
Basic education falls under the responsibility of the Deputy Secretary for School Education. The Ghana Education Service (GES) is tasked to implement the Ministry's educational programs and functions through the Deputy Secretary. The Project Management Unit (PMU) was set up as a secretariate to coordinate and monitor EDSAC and is also under the supervision of the Deputy Secretary. The National Planning Committee for School Reforms (NPCSR) is the planning and advisory body to the MOE for school reform.

4.2.3 The Ghana Education Service (GES)

The Ghana Education Service was established in 1974 to facilitate implementation of the recommendations made under the Reforms of 1974. Its main functions are: 1) management, supervision and inspection of pre-university institutions; 2) registration, supervision and inspection of private schools; 3) provision of teacher, general and special technical and business education; 4) registration of teachers; 5) facilitation of the development and publication of textbooks; and 6) promotion of efficiency and the full development of its members.

FIGURE E-4

INSTITUTIONAL RELATIONSHIP BETWEEN THE MINISTRY OF EDUCATION AND GHANA EDUCATION SERVICE



104

The Ghana Education Service (GES) consists of: 1) all teachers and non-teaching support personnel in pre-university educational institutions; 2) all professional and non-professional civil service staff in the MOE; and 3) all managers of schools and all administrative staff in the MOE. The GES is headed by the Director-General assisted by two deputies and performs it's work through six divisions.

The failure of the 1974 attempt at reforms in the educational system has been attributed to ineptitude in the GES. Massive corruption unearthed in the service has also been blamed on the absence of proper coordination and control in the GES. The frequency with which the Directors-Generals are removed is indicative of the state of flux in which the Service has found itself since its formation. These problems led to the dissolution of its governing council (the Ghana Education Service Council) in 1974 and the creation of the Education Commission. To avoid frustration and inaction on vital decisions, the MOE has created two organizations, the National Planning Committee for the School Reforms(NPCSR) and the Project Management Unit (the PMU). The PMU was created to coordinate, implement and monitor EDSAC activities. Some of the Directors in the GES serve on the NPCSR. The GES now functions under the Ministry through the Deputy Secretary for School Education. The Ministry has also assumed direct responsibility for the Curriculum Research and Development Division (CRDD) and the Planning, Budgeting, Monitoring, and Evaluation (PBME) Divisions.

There are four divisions of the GES that pertain to basic education. The Basic Education Division has a total professional staff of 13 out of an established level of 15. It is headed by an Acting Director who is assisted by five Assistant Directors. All are experienced educators. The Basic Education Division is responsible for implementation of policies regarding curriculum and learning materials. In fact, this Division has been instrumental in implementing the Educational Reform. Its Director is a member of the National Implementation Committee and has strong de facto linkages to the Under Secretary and the PMU.

The Teacher Education Division was established in 1980 to be responsible for pre-service teacher training and in-service education of teachers. It ensures that Government policies on teacher education are implemented at the 38 Teacher Training Colleges (TTCs), and that appropriate in-service training is taking place. It has a professional staff of 10 out of an established level of 12). It's Director is assisted by three Assistant Directors. Recently the MOE announced the reorganization of higher education placing the TTCs under the authority of the Deputy Secretary for Tertiary Education.

The MOE, as part of the Reform, has established a comprehensive in-service training system for Basic Education Teachers. In-service courses have been organized since 1986 for Junior Secondary School teachers, Junior Secondary School Heads, Primary School Heads, and Junior Secondary Technical teachers. There are plans to organise in-service courses for all Primary School teachers.

The courses have been residential and have been held in Secondary Schools and Training Colleges, Universities, diploma-awarding institutions and Technical Institutes. Some 50 secondary schools and colleges are being

equipped with mattresses, buckets, lanterns and other facilities to improve their capacity and suitability for in-service training. Capacity varies from 150-450 participants. Each center has an average of six trainers assigned (1 trainer to 25 participants). Supporting staff are also assigned on the basis 1 to 25 participants.

There are now about 20 full-time regular Trainers of Trainers. Another 350 Trainers have been prepared to run in-service courses for Basic Education Teachers. Most of the trainers are drawn from Training Colleges, Secondary Schools, Technical Colleges, Polytechnics, diploma-awarding institutions and Universities, particularly, Cape Coast. While most trainers do not have post graduate degrees, they have been doing in-service training for many years and do a credible job. Members of the National Planning Committee for School Reforms (NPCSR) monitor and evaluate in-service training course.

The Manpower and Training Division is responsible for the collection and analysis of data pertaining to MOE manpower needs. This includes data on schools and students. The Division consists of 14 professionals out of an established level of 18. It is headed by a Director who has five Assistant Directors. Manpower is not an effectively performing division. It is characterized by disorganization, lack of an effective records management system, and general inertia. Its Director was recently replaced, however, by an individual who seems to have a grasp of his unit's deficiencies. Manpower and Training has been little used in the reform program.

The Inspectorate Division is tasked with ensuring acceptable performance standards in all pre-university educational institutions, public and private. The central office has a complement of 12 out of 14 professionals, including a Director and eight Assistants. The Division has dynamic and experienced leadership from the center. However, it is faced with large numbers of unfilled posts in the field and lack of transportation negates the work of many of the experienced field people. The Ministry has begun implementing a large scale reorganization of the inspectorate, linked to the decentralization of the system discussed above. Inspectors, who will now be called circuit officers or circuit supervisors, will be assigned to circuits (20 schools per circuit officer and a total of 700 circuit officers) and work under the authority of the DEOs rather the the Regional Offices. Each circuit officer will be responsible for the supervision of teaching and learning.

During the past year, two GES divisions pertaining to basic education have been transferred to the Ministry: the Curriculum Research and Development Division (CRDD), and the Program, Budgeting, Monitoring, and Evaluation Division (PBME). CRDD, now under the supervision of the Deputy Secretary for School Education, is responsible for the development of curriculum and has re-written the curriculum and syllabi for JSS and primary schools. It has 37 professional positions, about 30 of which are filled. It is headed by a Coordinator and has 14 Assistant Directors. It uses committee systems for the actual task of curriculum development. These committees are typically composed of central office personnel, district and university specialists, and teachers. Most professional staff are experienced and qualified curriculum specialists, although not all are working at capacity.

PBME is responsible for all budgeting and planning for the MOE. It is headed by an Acting Director with four Assistant Directors. It contains 17 established positions of which about 13 are filled. This Division is receiving assistance from the UNDP in the form of a well-qualified and competent technical advisor and computer equipment. It has provided much of the teacher and enrollment data used for EDSAC. However, generally it is under-utilized.

4.2.4. The Project Management Unit (PMU)

The PMU was created to manage EDSAC. It has been a key element in the success of the reforms and has an effective, dedicated staff. The PMU is directly supervised by the Deputy Secretary for School Education and is responsible for all planning, implementation and monitoring for EDSAC. It consists of one coordinator for school education, 29 professional staff and approximately 25 supporting staff. The professional staff includes four project officers, for procurement, disbursement, programs and logistics; two coordinators for basic and second cycle institutions; a budget officer; a computer programmer; an architect; an accountant; a civil engineer; and a quantity surveyor. The supporting staff consists of four assistant project officers, seven project assistants and nine typists and clerical positions. The PMU has contracted out the accounting and financial monitoring of EDSAC funds to a local accounting firm. It has also taken over the supply and logistics function for basic education from the GES. All PMU staff are Ghanaians. Approximately one-fourth of the professionals are on long-term contract. The others are seconded from other Divisions in the MOE. The PMU also contracts local and foreign experts for short term assignments. Diagram E.4 presents an organigram of the PMU.

Logistics. The Logistics Unit of the PMU, formerly under the Ghana Educational Service, is responsible for the warehousing and distribution of supplies and texts. The Division has two sub-units, for transportation and for warehousing and distribution. The logistics unit uses seventeen trucks for the transportation of all goods. One of the trucks is an articulated vehicle. It employs 18 drivers and uses national service personnel to load and unload. The trucks are in their third year of service and will need replacing. The warehousing and distribution unit is responsible for the warehousing of textbooks, materials and equipment for first and second cycle schools and the transport of these items to the regions and districts. The MOE has four warehouses in the Accra area into which it sends goods when they arrive. The distribution fleet consists of one articulated truck (60 foot) and 18 rigid mid-size trucks. All trucks are DAF and are maintained at the DAF facility. The warehousing, distribution, and maintenance capacity of the PMU appear to be adequate.

Procurement. The Procurement division of the PMU is responsible for procuring all EDSAC commodities. It also arranges for bulk purchases of stationery and textbooks from local sources. For example, it managed large contracts with several local and foreign printers for the new JSS textbooks and exercise books. Bidding, contracting and selection procedures are standard, involving competitive tenders, sealed bids, and

evaluation panels. One problem for local businesses, particularly printers, however, is that payments are not tranched. The contractor receives 10% of the quoted price up front and 90% after delivery. Local companies with large printing orders, although they have the capacity to fill the order, do not have the financial capacity to lay out the costs without obtaining either more funds in advance or tranched payment.

4.2.5 The National Planning Committee for School Reforms (NPCSR)

The NPCSR consists of 25 senior officials, educators, and public figures, including representatives from the Ghana National Association of Teachers, the universities, the National Vocational Training Institute and the MOE. It was created to assist with the planning, implementation and monitoring of the Reform. It is also an important conduit to public opinion. The Committee meets at least quarterly and on an as needed basis. Committee members also undertake field visits and report on the progress of implementation throughout the country. Members of the Committee provide technical input and advice. The Committee also coordinates the District committees that oversee the reforms. This Committee has been instrumental in overcoming some initial opposition to the reforms and in keeping up the momentum of the reforms.

4.2.6 Regional, District and Local Structures

There are 10 regional education offices, each headed by a regional director. Each regional office has a structure similar to that of central headquarters. Regional offices deal directly with administrative matters concerning second cycle institutions and supervise activities of first cycle education through their district offices. At the sub-regional level is the District education office headed by a District Assistant Director.

The district education offices (DEO) are under the administrative control of the Regional Director. Each DEO is usually divided into five divisions: inspection, training, welfare, budget and statistics. The district offices exercise routine administrative responsibility over the first cycle institutions. Between the DEOs and the schools are circuit offices. Officers at the circuit level are principally school inspectors.

The MOE has extensive plans to strengthen district level administration. Under this scheme, which is currently being vetted with the PNDC, authority and responsibility for inspection, supervision, evaluation, student welfare, fiscal affairs, and teacher training will devolve to the 110 District Education Directors. Each DEO will be assisted by four Assistant Directors, and each Assistant Director will have the following responsibilities: 1) Management of personnel, schools, manpower training and staff development; 2) supervision and management of teaching, learning, guidance and inspection; 3) direction of budget and financial management; and 4) Management of planning, monitoring, data collection, research and records.

165

Implementation of this reorganization has been slower than anticipated. Nevertheless, the Ministry of Education (MOE) has clearly targeted the district level as the linchpin of its new administrative structure. Current plans call for each District Education Director to be empowered to control budgeting, management and supervision of all educational personnel in the district. He/she will be assisted by assistant directors for: 1) management of personnel, manpower training and development; 2) supervision and management of teaching, learning, guidance and inspection; 3) budget and finance; and 4) planning, monitoring, data collection, research and records.

4.2.7 District Assemblies

In the past two years 110 District Assemblies have been established throughout Ghana. They are composed of two-third elected and one-third appointed officials. PNDC Law 207, enacted in 1988, sets out their structure and functions in great detail and the revenue sources in somewhat less detail. However, some revenue sources are clearly spelled out. Besides receiving grants-in-aid from the central government, they will have extensive revenue raising authority including a basic rate tax of 7-12%, property tax, entertainment and license levies. A problem still to be sorted out is how to implement these powers in an efficient, cost-effective manner. Among the District Assemblies' responsibilities are public infrastructure, building and maintenance. This can include primary school construction and renovation, and furnishing and equipment. In some Districts funds have been used for this purpose. The fact that many teachers are being elected to the District Assemblies may prove to benefit the education system.

4.2.8 Local communities

Historically, the most influential local body vis-a-vis the school, as well as all other local institutions, has been the chief and the chief's council. In many communities local church groups are active in the schools, particularly primary schools. In addition to these local structures the PNDC has established Committees for the Defence of the Revolution (CDRs). These are composed of elected people from the community. The roles these bodies play vary a great deal from community to community. In many cases where schools have been well run and well maintained it has been because of the involvement and interest of one or more of these groups. In order to provide more focused community involvement in schools the Government is actively encouraging the establishment of PTAs. However, they have been more active on the JSS and SSS level than in primary schools. Experience has shown that PTAs will not become useful tools to improve education until school heads actively encourage and use them.

4.2.9 Local School Management

Management in this context involves policy making, planning and development, and routine administration, responsibilities shared among three levels of administration. Planning and physical

development of first cycle school are shared responsibilities between the central government, district assemblies and the communities. The only exception to this is the 2,000 school pavilions being constructed by the government of Norway as part of EDSAC II. Policy making, planning and development and finance for senior secondary schools are all done by the MOE. Administrative matters are handled at the regional offices of education. School site administration is the joint responsibility of an appointed school board and the headmaster, appointed by the GES.

The two other agencies involved in the management of schools are the religious bodies and private proprietors. There is no district government policy on the extent to which churches and other religious bodies should be involved in school management. These bodies are however expected "to help in funding and running schools".

Government has formed District and Area Implementation Committees as a way of stimulating community interest and participation in school affairs. The acceptance of the reforms at the village level has been due mainly to the enthusiasm of these committees which include important community people (i.e. Chiefs, PNDC Officials, Church Ministers, etc.).

District inspectors and circuit officers monitor teaching and learning in the schools. School site administration is done by the head teacher. Monitoring of first cycle especially of primary schools is the most irregular. District inspectors and circuit officers cover long distances to inspect remotely located schools. Coverage is limited by the lack of means of transport for these officers and in some of the cases the officers are compelled to lodge with head teachers whose schools they visit. Thus the supervision of the same people who are feeding and lodging the inspector is compromised.

The GES has began a program of improving management at the district level. District Directors (high-ranking officials) are being appointed at the DEOs to replace the Assistant Directors. There are also plans to upgrade the position of the district inspectors and to redefine their job. Incumbents are expected to be post-'O' level trained teachers of principal Superintendent rank and with a minimum of nine years teaching experience. The position has been redesignated as "supervisor" to reflect the new roles of supporting and training as well as the traditional role of monitoring performance. The reorganization program is aimed at providing in-service support and training for teachers through the supervisors who will work at the school and at the circuit level. They also have the responsibility of ensuring high and appropriate performance on the part of headmasters and teachers. The MOE also plans to have in-service training programs for the new circuit officers.

A key element of the reform is to give headmasters more authority and responsibility. The MOE views the role of the headmaster as critical in overcoming the constraints to education. Where primary schools are located next to JSSs, they are under the administrative control of JSS headmaster.

5.0 HOW PREP WILL WORK AND TECHNICAL FEASIBILITY

The premise of the Primary Education Program (PREP) is that with the additional inputs of materials, large scale in-service teacher training, incentives, decentralization, and improved management the quality and coverage of primary education in Ghana will improve significantly. This is a straight forward strategy to improve primary education that has been used extensively by AID and other donors with success. There is a long history of such programs, and enough evidence that if they are done well and the Government is committed, they succeed.

An additional important premise for PREP is that the Government of Ghana, through the Ministry of Education, is capable of implementing this program with fairly minimal technical assistance and monitoring from AID. This premise relates to those premises above in that it is accepted that AID will not become significantly involved in the implementation and input package of the program. Finally, the program posits that the education reforms, including financial sustainability, a better balance of resources between the three levels of education and between supplies and salaries, can and will be institutionalized. These last questions - i.e. financial sustainability and balance of resources - are discussed in Annex F.

This analysis examines three issues: 1) whether the Government of Ghana has the will to make the program work (the political context); 2) Whether the GOG, through the MOE, has the capacity to make the program work (capacity); and 3) how the program will be managed and it's consequent feasibility.

5.1 POLITICAL CONTEXT

The GOG has demonstrated a political capacity and willingness found almost nowhere else in Africa to undertake significant structural and economic reform in the 1980s. Indications are that all major Economic Recovery Program (ERP) guidelines and conditions have been followed to date, and education sector reforms have experienced a similar level of political commitment.

There is, moreover, every expectation that the population of Ghana will also politically support the proposed Program. While there was some opposition to educational reforms attempted in the 1970s, and some initial opposition to the reform package of the 1980's, this has greatly diminished with the successes in establishing and providing materials to JSSs and general upgrading of the teaching profession. Total overhaul of grade structure, implementation of far-reaching cost-recovery schemes and cost-saving/consolidation measures, and adoption of major policy reforms have occurred for the most part with little political constraint. The most prevalent educational concern today, shared by educators and the general public alike, is the poor state of primary education and its spillover effect on upper education levels.

The only identifiable opposition group to PREP are the unqualified primary schools teachers who are likely to be retrenched, and this number may reach as high as 20,000. On the other hand, depending on the final mix of newly qualified teachers coming out of the TTCs and unqualified

teachers undergoing staff development, the numbers may be much smaller. In any case, while this group will undoubtedly gain some sympathy they are unlikely to block the program for several reasons. First, MOE plans to retrench unqualified teachers have been well publicized and there is a general expectation that this will take place. Second, the retrenchment that has already taken place (over 5,000 unqualified teachers have been retrenched over the past three years) has not created any significant opposition. Finally and most importantly, there is much support among parents as well as professional educators that unqualified and "untrainable" teachers should be eliminated from the system.

5.2. MINISTRY OF EDUCATION (MOE) CAPACITY

MOE capacity has been throughly described in the Ghana Education Sector Update and has been presented in summary form in Section 4.0 of this annex. The MOE has clearly demonstrated that it has the capacity and willingness to implement significant education reform programs as evidenced by its performance on EDSAC I.

In a large scale sector reform program a key ingredient to success is the government's commitment to implementing the reform. By any test Ghana has shown this commitment. While IBRD and other donors have been instrumental in assisting the GOG, the policies and programs to carry out the reform have been initiated, developed and implemented on all levels by Ghanaians themselves. The question remains as to whether they have the human resources to take on the additional management and delivery tasks necessary to improve primary education while at the same time going foreward with JSS and SSS reforms.

In terms of carrying out the various tasks associated with the JSS reform, they have demonstrated that they have the capacity. While the education system lost many competent professionals from the mid-70s to the mid-80s, many more remained. These were often people educated in the old system who received good training. Furthermore, many mid-level Ghanaian educators have returned since economic conditions have deteriorated in neighboring West African states.

To carry out large-scale in-service teacher training in basic education the Ministry relies on a cadre of about one hundred resource people drawn from the Cape Coast University, the TTCs and from among regional and district officers. These resource people serve as trainers of trainers, who in turn train the remaining teachers attending in-service courses. On several occasions training courses have been run throughout the country for upwards of 10,000 educators at a time. This is not to say that there are no problems on the delivery side. Many of the specialists in areas such as science and math need topping up through short term training themselves. Furthermore, resources (both physical and human) will be stretched to the limit in order to cover large numbers of primary school teachers.

Their procurement and logistical capacity has been tested and found satisfactory under EDSAC and there is every reason to believe it will continue to perform satisfactorily for EDSAC II and PREP if strengthened with programming of local currency.

5.3 ADMINISTRATIVE ARRANGEMENTS AND FEASIBILITY

As described in Sct. 4.0 of this Annex and in Chapter 7 of the Sector Update, the key the successful management of the educational reform has been the MOE Project Management Unit. It is composed of dedicated, competent, hardworking individuals and cuts across bureaucratic barriers to pull together all the essential elements of the program. The PMU is composed of nine subunits and a total staff of some 56 individuals (30 professionals). An organigram of the PMU as it now exists is presented in Fig. E-5.

The MOE and the PAAD design team have analyzed the implications of PREP as well as EDSAC II on the PMU. An expanded PMU has been designed. The expanded PMU will consist of two additional units and the expansion of five existing units. The two new units will be the coordinating office for PREP and the financial monitoring and tracking office for PREP funds. The five existing units to be expanded will be procurement, logistics, engineering, programming, and monitoring and evaluation. An organigram of the revised PMU is presented in Fig. E-6.

The reasons for this schema become apparent if one examines the functions the MOE will have to undertake for the programming of AID funds. AID funds are categorized as follows:

Texts and materials	$10 million
Staff development	8 million
Planning, Supervision and Management	4 million
Equity Improvement Program	4 million
PMU operations	2 million
Studies and Short term TA	2 million

Procurement, logistics (delivery of texts, etc.) and training are the most obvious functions involved in expending these funds. Coordination and monitoring PREP activities and financial monitoring of local currency expenditures are cross-cutting functions that will be necessary to meet AID requirements and insure timely implementation. Although not certain at this point, there will likely be some limited construction activity (housing for headmasters, training centers, renovation) which will necessitate architectural/engineering inputs.

5.3.1 Procurement

The PMU's Procurement section now consists of two procurement officers (one of whom is section chief), one assistant and one clerk. With this staff they have managed credibly to procure about $25 million of books and equipment for EDSAC. They have systems in place that obtain commodities in accordance with IBRD procurement guidelines. While most of EDSAC I procurement is completed, an approximately equal amount of procurement can be expected for EDSAC II. The staff is adequate for this. However, an additional $12-15 million in PREP procurement will require more manpower. On the other hand, PREP

73

FIGURE E-5

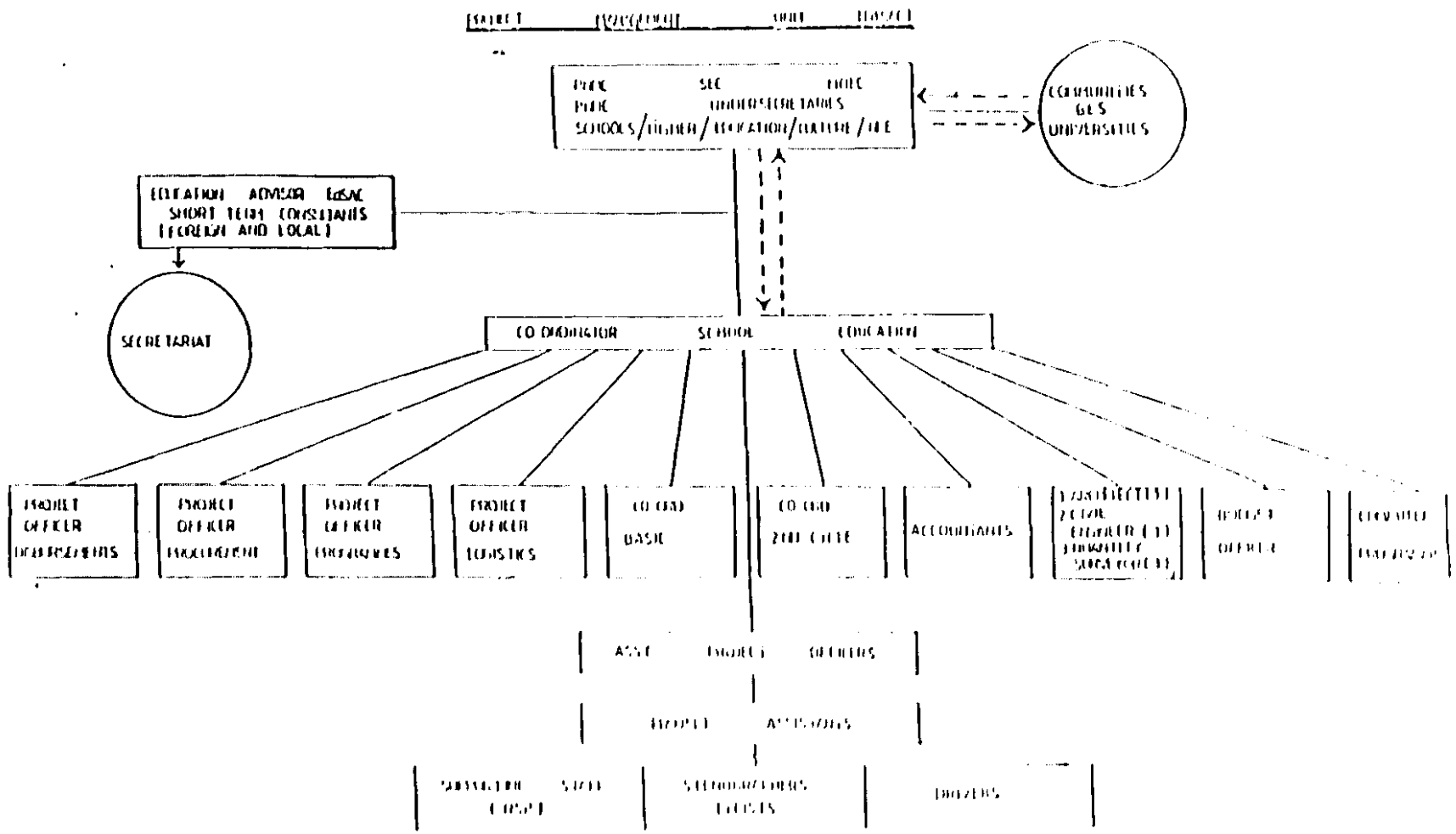
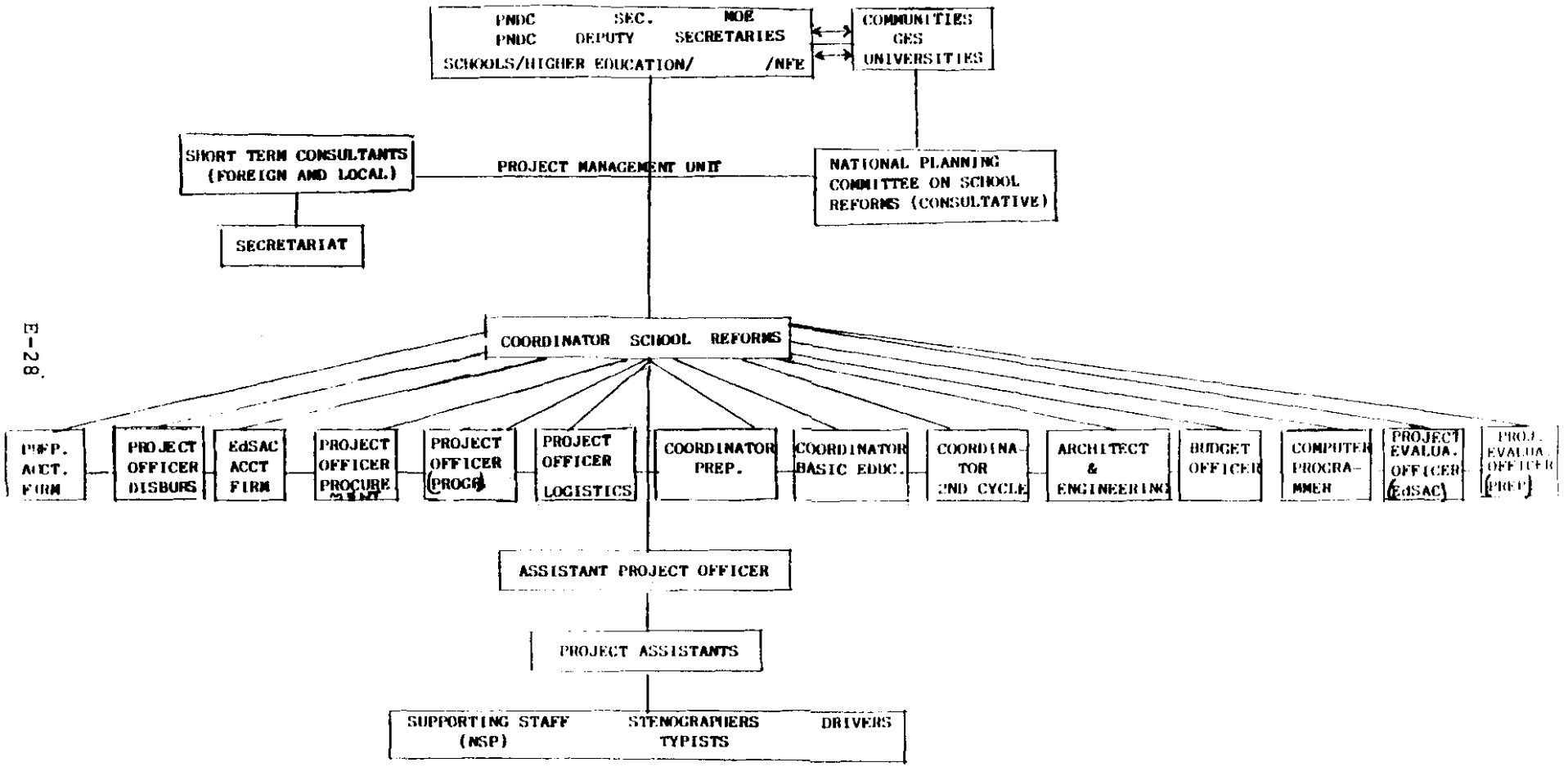

SECRETARIAT
SCHOOL
EDUCATION
PROJECT OFFICER
PROJECT OFFICER
PROJECT OFFICER
PROJECT OFFICER
BASIC
ACCOUNTANTS
OFFICER

FIGURE E-6

NEW PROJECT MANAGEMENT UNIT
ORGANISATION CHART
(EMBODYING PREP)
EDUCATION SECTOR ADJUSTMENT PROGRAMME



procurement will benefit from the systems already in place and the three years experience of the PMU procurement staff. Currently the procurement office has no computer dedicated to its own use.

Recommendation: The Procurement section should be expanded to include one additional procurement officer, one additional assistant and one clerk. The most essential person to identify and hire quickly, i.e. no later than the first disbursement of local funds, is the procurement officer since he/she will need some on the job training to become fully effective. This office should also have its own computer.

5.3.2 Logistics

The logistics unit has delivered the books and commodities procured under EDSAC as well as a limited amount of commodities from the regular MOE budget. The unit consists of a chief, two senior officers, two principal store keepers, three stores assistants, and 33 national service personnel who help load and unload the 17 trucks that deliver the MOE's books, material and equipment. It has 18 truck drivers and service contracts with the truck dealership. With the addition of SSS books and supplies, some reprinting of JSS books and the addition of several million primary school books into the pipeline, the logistics unit will need sisgnificant strengthening. This applies not only to personnel, but to equipment, vehicles (which are now three years old), and systems. Currently a UNDP specialist is studying the logistics unit in terms of increasing its effectiveness and efficiency. His report is due in June.

Recommendation: That the MOE present its own plan for providing the logistical systems, personnel and equipment to support PREP in the context of it's other logistical needs subject to AID approval. Presumably, it will base this report of the findings of the consultant. At this point it would be premature to set even minimum requirements for this specialized function.

5.3.3 Staff Development

The MOE's system for in-service teacher training is described in detail in the Education Sector Update and described summarily in Sct. 4.0 of this annex. The PMU and the NPCSR play a key role in planning, coordinating, and monitoring the training. The amount of in-service training will increase substantially under PREP which will include the bulk of the GES staff - primary school teachers and supervisory staff. Currently the PMU's role in in-service training is carried out by one project officer, one project assistant and one secretary. In preparing for large in-service training many key people are mobilized from other offices in the GES and the NCISR (see Sct. 4.0). Nevertheless, the PMU is stretched in coordinating teacher training, and the amount of such training will substantially increase under PREP. On the other hand, the MOE's decentralization strategy calls for more responsibility on the district officials in organizing and monitoring in-service teacher training, which may diminish the PMUs role.

Recommendation: At a minimum and for the immediate term, the PMU should have an additional project officer and supporting staff (one assistant, one secretary) to work solely on primary teacher in-service training.

5.3.4 Data Collection and Analysis

This function is carried out by the office of the computer programmer which has gathered and analyzed data for EDSAC. It consists of one project officer, two assistants who are the primary data analyzers, and a clerk who also helps with data input. Data is gathered in the field by circuit assistants who are national service personnel and sent to the PMU office. At the same time some use is made of the statistics compiled by the PBME office. The fact that the the PMU computer office has succeeded is due entirely to the hard work of its dedicated staff. It is seriously under-manned, however, and has not developed efficient systems for computer utilization in data gathering, and analysis. As described in Annex I, this unit's tasks will increase significantly in order to meet PREP monitoring requirements. The MOE realizes the need for expanding and restructuring this division.

Recommendation: One senior project officer should be added to the PMU to work solely on PREP evaluation and monitoring. This should be done as soon as possible. This person should be placed either in the data collection and analysis office (previously called the computer office) or the office of the PREP coordinator. Their are advantages and disadvantages in either placement, which the Ministry itself can best sort out. In any case, the data and analysis unit needs some serious restructuring in order to efficiently serve EDSAC and PREP. It will require the assistance of a monitoring/management information specialist to assess what personnel, equipment and systems are required. Such an analysis should lead to an agreed upon plan for this unit early on in the program. Considering the computer programs available, restructuring of this unit need not necessarily be labor intensive although it is evident that more computer inputers/or a more decentralized system for data inputs will be required.

5.3.5 Engineering and Architectural Services

This unit, staffed by a senior project officer (engineer), assistant, and a clerk, monitors EDSAC construction. Field monitoring is done by the project officer and his assistant as well as national service personnel who also help in organizing local construction. Construction under PREP is likely to be limited, although some construction is anticipated in association with the Equity Improvement Program and some renovation in association with staff training activities.

Recommendation: Another project officer may be necessary, but at this point is not essential.

5.3.6 PREP Accounting and Financial Tracking

This is one of the two additional sub-units that will be created in the PMU. It's purpose will be solely to track expenditures of AID funds. As such it should be separated from EDSAC accounting. A detailed description of this unit and its functions is found in Annex G.

5.3.7 PREP Coordination

Currently there is no office of the PMU for PREP, although there are plans to have a senior level project officer assigned as PREP coordinator. He/she will be responsible for coordinating all aspects of PREP, including those described above, as well as donor coordination.

Recommendation. The PREP coordinator be named by the MOE prior to first tranch disbursement.

5.3.8 Other Findings and Recommendations

There are several needs that pertain to the PMU as a whole. PMU personnel are dedicated, competent and have a great deal of job experience but they do not have exposure to some of the latest ideas and technologies in their field, e.g., teacher training, management, data collection and management systems. Some short off-shore training and visitation programs would provide at least familiarization with latest ideas and technologies, and would also provide an incentive to PMU staff. Another area for development is in computer usage. In all the PMU units computers are not being used to their fullest advantage. Neither is there any computer networking between the PMU units or the field. Inexpensive technologies exist that could greatly facilitate the PMU's work and enable it to do more with less.

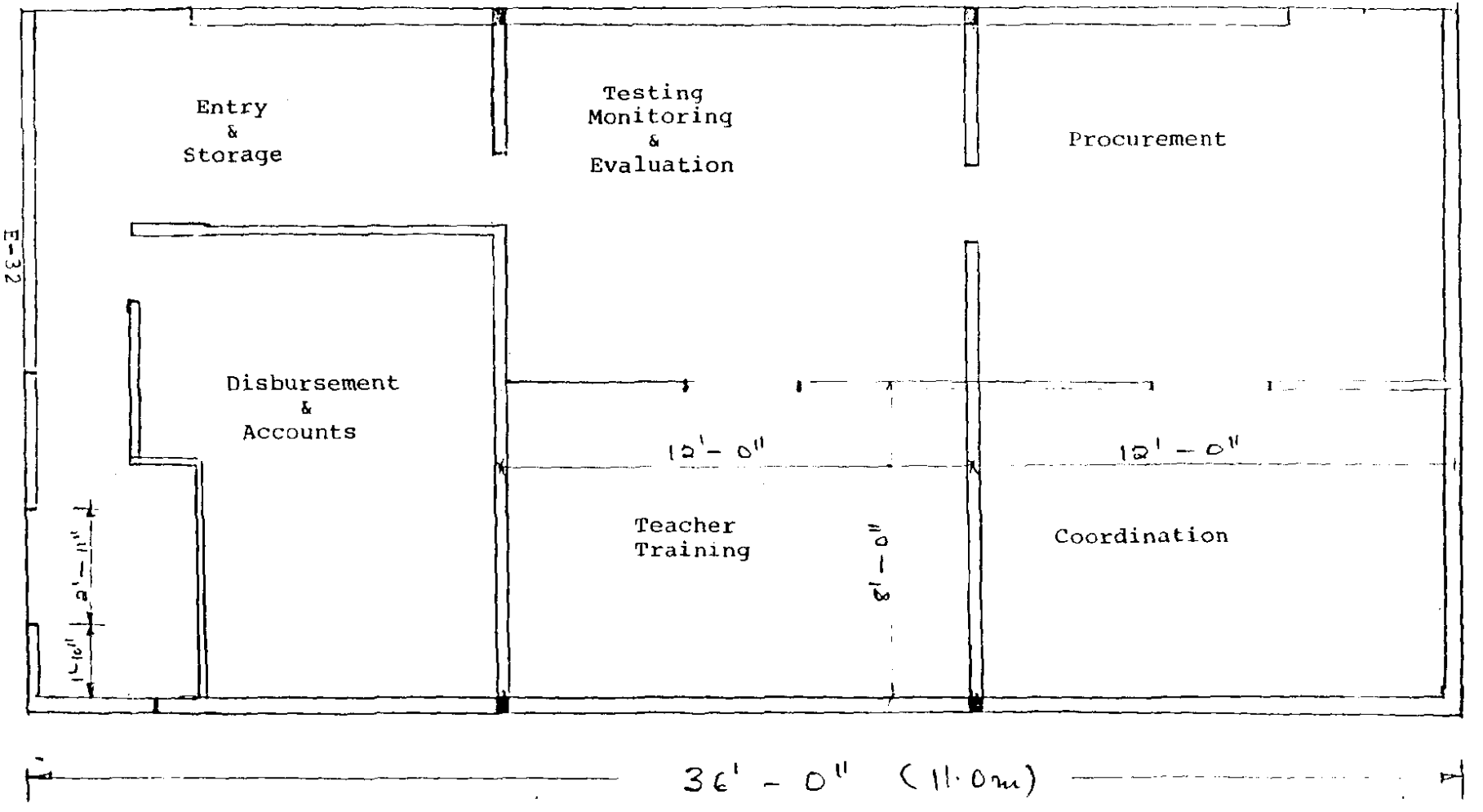
A third constraint tha affects the PMU as a whole is the lack of space. Offices are tightly packed. The MOE plans to address this problem in the immediate term by taking a large conference room and renovating it to provide six offices for PREP. The plan for the proposed offices are presented in Figure E-7. However, there will also be a need for more space in some of the supporting offices such as data collection and analysis, procurement and logistics. At the same time, there would be disadvantages in moving the PMU out of the MOE and away from the Under Secretary. Also, if units within the PMU were seperated by moving some units to other location, much efficiency would be lost. The following recommendations are therefore made:

-Personnel to fill key positions be identified as soon as possible.

-These individuals receive appropriate short-term training and visitation programs within the next few months, i.e. before they become bogged down in implementation duties. This training can be done through HRDA.

178

FIGURE E-7
PREP OFFICE PLAN



-A consultant be brought in to assess the PMU's data gathering, analysis, and data management needs; present options as to how best to meet these needs; design appropriate systems/software; and design appropriate in-service training activities. This also should be done as soon as possible before heavy implementation activities begin. HRDA, PD&S, and/or central project funds (ABEL or IEES) can be used for this purpose.

-The proposed plan for immediate additional space be adopted and the MOE begin planning on creating even more space that particular units will need when PREP is well under way.

-The requirements for first tranche disbursement include an acceptable timetable for identifying key PMU staffing needs, filling these positions and providing the needed space.

5.4 SUMMARY AND CONCLUSIONS REGARDING FEASIBILITY

PREP will provide a tested and proven package of inputs that should achieve planned program objectives. The Government of Ghana and the Ministry of Education have the political will and capacity to implement the program. The key implementing agent is the Program Management Unit. The PMU, with limited expansion and some fine tuning, should be able to continue to perform effectively.

Annex F

Economic Analysis

ANNEX F

ECONOMIC ANALYSIS

1.0 INTRODUCTION

This economic analysis addresses the macroeconomic impact of the program (Sec. 2.0), the sustainability of the Primary Education Program (PREP) (Sec 3.0), and an elementary rate of returns to education study (Sec. 4.0). These elements fit together as a coherent whole.

In any program or project analysis, the economic structure of the economy in question is an important ingredient in that it provides the context in which the program must be executed. Among other things, the economy imposes constraints on the implementation of policy. In the case of PREP, the macro framework, including the Economic Recovery Program (ERP), includes an added dimension.

Financial sustainability is a critical element if the program is to bring about major improvements over the long term. This requires that the GOG have the resources to shoulder the burden of ongoing educational components of PREP, as well as the will and commitment to do so. Availability of these resources will critically depend on the structure of the economy and its trajectory.

The rate of return analysis provides an important justification for the program by evaluating the social profitability of primary education. Over the course of a generation and longer, it casts light on the contribution of education to economic growth and the further sustainability of the education sector through cost recovery.

2.0 MACROECONOMIC IMPACT

The Executive Committee for Project Review (ECPR) noted that PREP-generated local currency (LC) represents a significant proportion of the total GOG public budget. The US$ 32.0 million in LC equivalent generated by PREP converts to cedis (¢) 11.2 billion. Ghana's GDP is projected at ¢1,567.3 billion for 1990; GOG public expenditure has been about 14% of gross domestic product (GDP), and at this level GOG expenditures would be about ¢ 219 billion in 1990. PREP outlays would therefore average about 1% of GOG expenditures per year over the life of Program (LOP).

PREP-generated local currency will be used to support structural adjustment and stabilization programs. The GOG has become a world class performer in terms of fiscal and monetary restraint. Since 1984, the GOG has run a surplus on current account (revenue less recurrent expenditures) and is now decontrolling interest rates by eliminating credit ceilings. In their place, open market operations will be used to soak up excess liquidity. As the process unfolds, it is anticipated that real interest rates will become positive. Public saving in Ghana exceeded 5% of GDP for 1987 and 1988. There was also a surplus on

overall GOG account (revenue and grants less all expenditure and net lending) of 0.5% of GDP in 1987 and 1988.

Given the above surpluses on GOG account, the question of deficit on government account does not arise. On the contrary, the GOG is actually making payments into the domestic financial system, including banking. Therefore, the fiscal system is clearly non-inflationary. A continuing problem within the banking system is excess reserves. This is in part a reflection of ceilings on credit expansion on individual banks and in part due to the presence of non-performing loans in bank portfolios.

The GOG took a major step towards establishing a domestic money market in 1987 with establishment of the Consolidated Discount House. None the less, the market for government securities is largely underdeveloped. In April 1990, the formation of a stock exchange was also announced which is another step in institutionalizing financial markets. The rate of increase in money supply (M2) has decreased somewhat since 1984 when it grew by 60%. Growth of M2 in 1988 was 43% or 13% in real terms. It is noteworthy that net credit to government has actually decreased by about 8% per year for the past several years. The GOG has an excellent record in making wage and salary payments on time. Delays in honoring short term credits to foreign vendors has been rapidly shrinking, but timely payments to domestic firms remains a problem.

The International Monetary Fund (IMF) has played a significant role in the Ghanaian economy and in the GOG's Economic Recovery Program (ERP). Debt to the fund in 1988 stood at US$ 737 million, with about 25% of this from the IMF Trust Fund, Structural Adjustment Facility, and Economic Support Fund for Africa. Repayments to the Fund were US$ 277 million in 1988.

The distribution of GOG expenditures by economic classification are presented both as a share of total expenditures and as a share of gross domestic product (GDP) in Table F-1. Capital and current expenditures account for 21% and 77%, respectively, of the GOG total. Emoluments are the largest item within recurrent expenditures. On the basis of functional classification of total GOG expenditures (Table F-2), education is the largest item followed by general public services and economic services. Within economic services, roads are by far the largest item followed by agriculture. Actual GOG expenditures do not closely conform, however, to GOG budgets. In 1989, total expenditures were 5% less than the budget, although education expenditures were substantially above initial budget figures.

3.0 PREP SUSTAINABILITY

If PREP is to have a long term impact on primary education in Ghana, the initiatives which it undertakes must be sustainable. In other words, the Government of Ghana (GOG) must be able to maintain the level of quality and efficiency established with the assistance of PREP from its own financial resources. Furthermore, this level must be extended to an expanding student enrollment. Additivity is thus an important aspect of sustainability. PREP must contribute a net addition to educational inputs, which will be continued by the GOG after the end of Program (EOP).

TABLE F-1

CENTRAL GOVERNMENT EXPENDITURE BY ECONOMIC CLASSIFICATION (1988)

	Percent of Total Expenditure	Percent of GDP
Current Expenditure	77	10.5
Emoluments	(34)	4.7
Interest	(8)	0.8
Subsidies and Transfers	(10)	1.1
Other	(24)	2.7
Capital	21	2.8
Special Efficiency	2	0.3
Net Lending	1	0.6
TOTAL	100	14.2

Notes. "Capital" excludes capital expenditures financed by external project aid. "Special Efficiency" relates to redeployment and retrenchment.

TABLE F-2

CENTRAL GOVERNMENT EXPENDITURE BY FUNCTIONAL CLASSIFICATION (1988)

	Percent of Total Expenditure	Percent of GDP
General Public Services	22	2.9
Defense	3	0.3
Education	26	3.5
Health	9	1.2
Social Security and Welfare	7	0.9
Housing	3	0.3
Other Community	1	0.1
Economic Services	18	2.4
Interest	2	1.1
Special Efficiency	2	0.3
TOTAL	100	13.6

The goals and outputs of PREP, that is, PREP sustainability, will be investigated in three steps:

1. Determine the physical requirments in terms of enrollments, teacher supply, etc. necessary for the design case (Sec. 3.3);

2. Project the financial implications for realizing these targets (Sec. 3.4);

3, Examine alternative scenarios for the economy to deterime under what economic conditions PREP is sustainable and to what factors sustainability is sensitive (Sec. 3.5).

3.1 GOALS, OUTPUTS AND OBJECTIVES

The GOG has set for itself an ambitious set of educational goals and objectives. These include universal basic education (grades 1 through 9), a professionally trained teaching force and a student: teacher ratio of 40:1.

PREP goals are consistent with these GOG goals and PREP establishes objectives which can be verified and realized within a specific time frame. These objectively verifiable indicators (OVIs) are presented in the Logical Framework (Annex C). The following OVIs are of special relevance to the issue of sustainability, and taken together constitute the "design case" primary education system:

By the year 2000:

o 80% of primary age children will be attending school; and

o The Ministry of Education (MOE) will be funding 100% of the primary education cost of the "design case" educational system from its own recurrent budget.

By the EOP in 1995:

o 90% of primary schools will have qualified teachers and basic teaching materials;

o Primary school budgets as a share of all education will be stabilized at the 1989 level; and

o The share of primary expenditures going to teaching materials will increase to 6% by 1995.

These five characteristics, together with the GOG goal of a 40:1 student:teacher ratio, constitute the "design case" primary education system which establishes a minimum quality level for primary education in terms of teacher qualifications and use of teaching materials.

3.2 DATA LIMITATIONS

The poor quality and lack of timeliness of data in Ghana has been noted in a number of contexts. Furthermore, many documents contain inconsistent data. This limits the effectiveness of policy analysis. For the current exercise we have used World Bank data when available and appropriate. The Bank is generally familiar with the method by which individual figures were compiled and thus replication will be consistent. Moreover, use of the same data base may facilitate future donor coordination. MOE has an information base which has provided inputs into World Bank calculations. The Ministry has also conducted a number of special studies. Relevant MOE sections for data collection and analysis are the Project Management Unit (PMU) and Planning, Budgeting and Evaluation Unit.

3.3 PRIMARY STUDENT ENROLLMENT AND TEACHING STAFF

As already noted, this section will project enrollments and teaching staff. Imbedded in the projections are assumptions which if altered will generate different scenarios. Table 1 (end of Annex) presents data for 1987/88 and projections to 2000/01.

It is important to note that the GOG fiscal year coincides with the calendar year, while the academic year ends in mid-August. Thus the school year spans two budget and expenditure years. One method for dealing with this is to calculate academic year expenditures as a share of two fiscal years. For example, for the academic year 1990/91, 37.5 percent of budget and expenditures can be attributed to fiscal year 1990 and the remaining 62.5 percent to fiscal year 1991.

This approach is appropriate to emoluments as they are paid on a month to month basis. But in the case of teaching materials, which is of course a major concern for PREP, this method would not apply. Instead, "materials" is a one time allocation applied to the following academic year. For example, PREP disbursements for materials made in 1990 will be applied to the GOG 1991 budget and expended in 1991/1992.

3.3.1 Primary School Enrollments

Enrollments for 1987/88 were 1,492,200. Enrollment rate estimates vary somewhat. A gross rate of 69% is common, although the World Bank places the figure at 72% as compared to 70% for Sub-Saharan Africa in 1966. The Ghana Living Standards Survey (GLSS) concludes that 66.8% of 6-10 year olds are in school. This would be a net rate which would be consistent with a 70% gross rate, a figure we shall use for the purposes of our calculations.

According to the World Bank, primary enrollments were growing at over 5% per annum. Table 1 incorporates Bank projections up to 1992. For subsequent years a less ambitious estimate of 3.6% p.a. is used.

186

There are several reason for reducing this target over time. The closer Ghana approaches universal primary education, the more difficult increments will become. Also, this rate is consistent with the GOG objective of a student:teacher ratio of 40:1 as well as realizing the logical framework ("logframe") output of 80% enrollment by the year 2000. (fn: This is based on a projected growth of 2.75% p.a. in primary school age children.)

Programs in the health sector are presently underway to reduce birth rates. Success in this area will be felt in primary education. If enrollments in absolute terms grow as projected and the rate of increase in school age population slows, a higher than projected enrollment rate would be realized by the year 2000. This underscores the high social cost of Ghana's present fertility rate.

3.3.2 The Stock of Teachers

In 1987/88 the stock of primary school teachers was 63,161. This may be a slight understatement, since it does not include National Service personnel who provide some teaching services at the primary level. This Service, while under MOE, is not included in the Ghana Education Service (GES) budget. On the other hand, GES maintains some non-teachers in the teacher category.

For several years, the number of primary teachers has been stable due to the implementation of a policy of "one in, one out," thereby maintaining a constant staffing level. This has two facets. First, it is designed to increase student:teacher ratios. Second, it upgrades teacher qualifications by replacing the 39.7 per cent of teachers who were untrained (1988/89) with graduates from Teacher Training Colleges (TTCs).

3.3.3 Student:Teacher Ratios

In 1987/88, the student:teacher ratio was 24:1. The goal of the GOG is to raise this level to 40:1. This target is pedagogically defensible as well as one which will contribute to the financial sustainability of Ghana's educational system.

The 40:1 ratio will be realized in 2000. The student:teacher ratio will not of course be the same in all districts. In the pursuit of enrollment and equity objectives, it will be necessary to have lower ratios in sparsely populated districts in order to provide access. This of course implies higher ratios in urban areas. If the enrollment figures in Table 1 are not realized, either because of fewer than anticipated entrants or because of high attrition, the 40:1 student teacher ratio will not be reached. Moreover, the program objective of 80% enrollment will not be realized as well.

3.3.4 The Supply of Trained Teachers

An educational objective of GOG is to replace or train all untrained teachers by 1995. PREP sets a minimum target of 90% trained teachers by end of Program. Flows of teachers are presented in Columns 5, 6 and 7 of Table 1.

Thirty Eight Teacher Training Colleges provide pre-service training for Basic Education (Primary and Junior Secondary). The present output of TTCs is about 6000 per year. This number will decline however, since higher entrance requirements have reduced the intake of students into teacher programs. Future output could decline to 4000 per year.

The majority of TTC graduates are destined for primary schools. Although estimates run as high as 80%, the more conservative estimate of 70% is used in Table 2, Column 5. In absolute terms, this means that the output of TTCs destined for primary schools, currently running at 4,200, will decline and stabilize at 2800.

Teacher Training College (TTC) graduates are also used to meet attrition demand due to death and retirement (Column 6). At present, very few teachers resign, although previously there was significant emigration of teachers from Ghana to other African countries, especially to Nigeria. One estimate of attrition is one per cent per year which on demographic grounds seems low. For purposes at hand, 2.5% p.a. or 1,600 per year will be used.

Of course, not all of the 1600 teachers have professional qualifications. One estimate is that in 1987/88, 60% of primary teachers were trained. Assuming this proportion applies to attrition as well, the annual departure of trained teachers would be about 1,000 per year as indicated in Column 6. (fn: Formally speaking, this should be adjusted upward over time as the share of trained teachers increases. But since newly trained teachers would not be soon retiring and unlikely to die, this is unnecessary.)

Net Addition of trained teachers to the primary school system is indicated in Column 7. It is calculated by deducting the attrition of trained teachers from the output of TTCs channeled into the primary system.

3.3.5 Stock of Trained Teachers

When the net additions to trained staff is added to the stock of trained teachers one obtains the projected stock of trained teachers over time. As indicated in Column 8, there will be 56,500 trained teachers in 1995/96. Therefore, a major output of PREP is feasible, viz. 90% of the primary teaching force qualified by end of Program. In the meantime, PREP will have played a major role in enhancing the quality of primary school instruction through providing intensive in-service seminars, re-training and updating pedagogical skills. By 1998/1999 the total teaching force should be TTC-trained.

3.3.6 Data Monitoring

The above calculations are of course sensitive to the data and assumptions upon which the conclusions are based. To stress this point, it may be worthwhile to list the data involved:

present enrollments
projected enrollments
present number of teachers
projected number of teachers
output of TTCs
output of TTCs entering primary education
attrition of trained teachers.

During the life of Program it will be useful to monitor this information and to adjust the projections accordingly. This in turn could be employed in adjusting the program to the changing educational needs of Ghana.

3.4 FINANCIAL ANALYSIS

A major objective of the Primary Education Program (PREP) is that the program be additive to the resources that GOG is devoting to primary education as well as that the initiatives be financially sustainable after the life of Program (LOP). Most program expenditure categories do not extend beyond the LOP, viz. Management and Supervision, Program Management Unit, Studies and Technical Assistance and Trust Fund, since their objective is program implementation.

Sustainability therefore relates to two program allocations, Training and Books and Supplies. These are of course the two major categories, accounting for over half of program expenditures. Given present rates of training and teacher attrition discussed in the above section, Ghana will have a teaching force which is 90% professionally qualified and trained in Teacher Training Colleges (TTCs) by 1995/96, i.e. the end of Program. Hence, it will not be necessary for the GOG to continue the massive in-service training financed by PREP. By 1998/98 all primary teachers will be TTC graduates.

It will of course be desirable to maintain some level of professional instruction in order to update and maintain teaching skills. PREP will have supported 200,000 teacher-weeks of in-service training, or 40,000 per year. After the end of Program (EOP) this could be reduced to 5,000 to 10,000 per year. This would probably not require a new allocation, but could be taken up by TTCs as the requirements for newly trained teachers decline.

3.4.1 Present Level of Expenditures on Primary Teaching Materials

Under current budgetary procedures it is not possible to specify the budget for primary learning materials, since budgets and expenditures at the primary level are commingled with Junior Secondary

(JSS) under Basic Education Division (142-13), (fn: Numbers refer to head and sub-head categories) Most materials by all accounts are destined for JSSs. Under PREP, this shortcoming will be corrected by disaggregating primary school materials. The minor budget item (about one per cent) under primary education (142-02) for supplies and materials is for sports and recreational equipment and therefore not relevant to the issue at hand.

Expenditures on text books and other learning materials appear to be extremely modest, although this is based partly on anecdotal material. Actual expenditures do not coincide with budgeted amounts. According to the Program Assistance Initial Proposal (PAIP), actual amounts may be only 15 to 50% of budget. But under PREP as well as under EDSAC II, expenditures will be brought into line with the budget. Hence, these terms can be used on an inter-changeable basis.

Presently, considering all of these factors, actual expenditures on teaching materials per student is negligible. A knowledgeable estimate for 1988 places per student primary expenditure at $.50 for learning materials. This is also consistent with the estimate of AID that two per cent of expenditure for primary education is for these supplies. Bearing in mind that the PREP program is to be additive, the 50 cent per student baseline will be used for evaluating sustainability. This is substantially below African norms for 1983, the last year for which continental figures are available. (fn: In 1983 on a continental basis the mean for primary teaching materials was 1.5% of recurrent expenditure on primary education (simple mean) and 5.8% (weighted), but with a large number of countries not reported. On a per student basis, the figures were $.70 and $2.30 for simple and weighted means, with Ghana reported as $1.60.) This fact supports of course the relevance of the Primary Education Program (PREP) in its objective of raising and sustaining the use of learning materials at a somewhat acceptable level.

3.4.2 Projected Per Student Expenditures on Materials

The PREP contribution to learning materials is indicated in Table 2 on both a total and per student basis. These peak in 1994 at $1.30 per student. Also indicated is GOG projected expenditure on a per student basis. The method of projection is based on the condition precedent that the share of primary school expenditure devoted to learning materials will reach 6% by 1993. This is from an estimated present level of 2% already noted.

GOG expenditure will increase rapidly until the 6% rate is reached. At that point, expenditures per student will stabilize at about $1.56 with only marginal increases thereafter.

Combined expenditures per student peak in 1994 at $2.87 when PREP contributions are at their maximum. At end of Program (EOP), expenditure on materials will be entirely from GOG resources and funded at $1.57 per student. The decline from the 1994 peak is not a cause for alarm however. PREP should be seen as building up the inventory of materials with the flow being sustained by the GOG.

140

The $1.57 per student per year is not high in terms of need or by African standards. It is however a three fold increase over a four year period and represents a quantum jump in the quality of education in Ghana. In terms of text books, assuming a life of three years and a set of materials serving three students, it implies an expenditure of $9.50 for a set of materials. The GOG may wish to elevate this further should resources permit.

3.4.3 Projected GOG Expenditures on Primary Education

In appraising the ability of the GOG to sustain PREP initiatives out of its own resources on an additive basis, it is necessary to project the required expenditure of the "design case." This is done in Table 3. Estimates are in 1989 Cedis. Inflation would require an upward adjustment to obtain nominal expenditure. But inflation would have a similar proportional impact on resources. Hence, considering the price level would only complicate the picture without adding additional insights.

Projected expenditures are disaggregated into emoluments, learning materials and other. Emoluments is by far the largest expenditure. The other category (Travel and Transport, General Expenditures, Maintenance Repairs and Renewals, and Supplies and Stores) is minor, but is included for completeness. They are estimated to increase at 3% per annum (p.a.) Learning materials and emoluments will be taken up individually because of their significance.

The overall increase in expenditures up to 2000 is 71%, or 5% p.a. During life of Program, expenditures rise 40%, or at an annual rate of 5.8%, slightly higher than that for the decade as a whole. This rate of increase is necessary in terms of the GOG "decompression" of wages and salaries which is discussed below. These increases in expenditure are modest for a GOG priority sub-sector of the economy, e.g. the goal of universal primary education.

The above figures apply only to the GOG recurrent budget and expenditures. There are no important primary expenditures in the central government capital budget, since this obligation is shouldered at the District and community level.

The construction and maintenance of schools, furnishings, etc. are undertaken by District Assemblies which have their own taxing power, Village Development Committees, Parent Teacher Associations and other community groups such as churches. The school pavilions financed with donor assistance, but without contributions from the GOG, are to be completed through local efforts.

Expenditure on Learning Materials. The per student contribution by GOG for learning materials has already been discussed. It will be recalled that this figure grew rapidly up to 1993 and leveled off thereafter. But since enrollments are growing, aggregate expenditure will continue to increase in real terms.

Expenditures on materials will almost quadruple from 1989 to 1993, reflecting the commitment of GOG to increase the share of primary expenditures going to materials from 2% to 6%. This represents an annual increase of about 40% p.a. But subsequent to 1993, this rate will rapidly decelerate to about four and a half per cent per year.

Expenditure on Emoluments. It will be recalled that there is no projected increase in the primary teaching force up to 2000/01 when there will be an anticipated student:teacher ratio of 40:1. Over that period it will nonetheless be necessary to increase emoluments. Two components of the increase can be identified. First, as the teaching force becomes better trained, teachers will move up in civil service grade. Second, under ERP there is a policy of "decompressing" emoluments, that is, increasing salary and wage inequality among public employees. This is to provide incentives for professional staff.

It is expected that up to 1998 these two factors will increase emoluments at the primary level by about five per cent per annum with the larger portion for promotion. By 1998, a TTC trained teaching force will be in place and there will be little increase in grade. Therefore, it assumed that the rate of increase in emoluments will slow to 3%.

The 5% rate of increase would not apply however to civil service as a whole, or even to other sub-sectors of education, a point to which we shall return later. Primary education may be unique in the extent to which staff will move up in grade, a reflection of the extent to which primary teachers are under-qualified. Relatively, this is less true for other levels of education.

3.5 SCENARIOS

Alternative trajectories for the Ghanaian economy will now be taken up. The purpose, it will be recalled, is to determine under what conditions the resources will be available to finance the design case expenditures projected in Table 3.

3.5.1 The Five Per Cent, Best Case, Scenario

Since 1984, the economy has been growing at an annual rate of over five per cent per annum. Many, perhaps even most, observers have projected this rate to continue up to 1992 and beyond. It is envisioned that in the longer run as constraints are removed, the picture becomes even more optimistic.

The World Bank's "Policy Framework Paper" refined this scenario beyond simple extrapolation. Some of the critical elements are:

o Investment as a share of gross domestic product, which has been in the 13% to 14% range, will increase to 19% by 1992;

195

o Government revenue (excluding grants) will increase to 16.6 per cent of GDP from its present level of about 14 %.

Sector projections are especially relevant:

o The share of GOG budget for education will increase from 38% to 42%;

o The share of GOG expenditures on education destined for primary schools will increase to 42%;

It is important to note that the sectoral projections are integrally linked with the macro forecasts. In other words, if macro data are off target, sectoral estimates must also be re-examined.

Table 4 presents a scenario which is highly optimistic in terms of sustaining the gains realized with the assistance of PREP. GDP (Column 1) as already noted is projected to increase at 5% p.a. or more. GOG Revenue (Column 2) is taken as the benchmark for expenditures, in that under the Economic Recovery Planning (ERP), GOG will not be incurring a deficit. (fn: In discussions with the World Bank, it has been proposed that the Government budget run a substantial surplus.) Hence, government revenue is the upper limit for expenditures. Allocations to education incorporate the above sector projections.

The allocation to primary education far exceeds the requirements projected to sustain the design case. This optimism is based on brisk economic growth which is at the upper limit of what is likely. It also projects a substantial increase in the share of government revenue from GDP and on increasing the share of those revenues directed to education. The likelihood of these developments is discussed below.

3.5.2 The Modified Five Per Cent Scenario

An alternative scenario would be 5% growth but with a constant share of GOG revenue from gross domestic product and a constant share of allocation to education, including primary. This is presented in Table 5.

Government revenue is in part a reflection of policy regarding tax structure which is undergoing reforms. It is anticipated that import duties will be decreased. Tariffs have been providing over a third of revenue. Hence, rate reduction by itself may involve a lower share of gross domestic product (GDP) for the public sector.

Another major source is excise on Cocoa exports. Prices on the world market are falling precipitously and are not expected to revive over the next few years.

There are on the other hand factors which will increase public receipts. Major efforts are under way to improve tax administration including compliance. Also, taxes on personal income, property and luxury items are progressive. Therefore, they will become more significant in a growing economy.

On balance, it is at least plausible that the public share of GDP will not increase. For the present scenario, it is projected at 14% of GDP, which has been the figure for the past several years. Under the conditions precedent of PREP, the GOG is committed to maintaining the share of expenditure going to education, although this does not preclude an increase in that share. For this scenario a constant share for primary education will be assumed.

Incorporating the above assumptions produces the figures in Table 5. In this case, the allocations to primary education fall short of projected requirements, approximately 1.2 billion Cedis ($3.4 million) in 1995 and a half billion Cedis ($1.5 million) in 2000. Clearly the situation is most difficult at end of program (EOP). But from 1995 to 2000 the shortfall will be halved.

This pattern is explained by the fact that the GOG primary education expenditure for the design case increases rapidly, 7.5% per annum (p.a.), during life of program (LOP). This is of course is higher than the 5% p.a. in the GOG budget, and reflects the rapid increase in learning materials expenditure.

The problem of these deficits under the present scenario is not a serious one and can be solved through intra-sector reallocations. The elimination of the food subsidies for secondary schools would more than take care of the short fall.

Emoluments may be another area where the short fall can be made up. In projecting a five per cent increase in primary teacher emoluments, it was noted that this included two elements, decompression of salaries for professional staff and promotions resulting from improved qualifications. The second factor is less important outside of primary education. If emoluments were increased at 4% for non primary teachers, four billion in additional funds would be available in fiscal year (FY) 2000. (fn: This does not include the university emoluments which operates from a subvention which does not indicate salary expenditures).

It can be concluded that PREP initiatives can be sustained with no increase in the expenditure share going to education, provided that the economy grows at a five per cent rate. This can be easily accommodated if emolument increases for non-primary teachers and staff are held to four per cent per annum; or if present plans for eliminating food subsidies are effected with the proceeds going to primary education.

3.5.3 Scenario III: Three Per Cent Growth

On a world basis, five per cent growth is impressive and even more so by African norms. Whether this can be sustained is a legitimate question.

Present rates of domestic saving and investment would not appear to be adequate for a five per cent rate of growth, based upon typical incremental capital output ratios. The share of gross domestic product (GDP) going to investment in 1988 was 12.2% with domestic saving of 10.6%. Most investment (8% of GDP) is being undertaken by the public sector.

The response of the private sector to the improved investment climate created by the Economic Recovery Program (ERP) is not measuring up to what will be required for rapid development. But present levels of saving and investment would appear to suggest a growth rate of three per cent p.a. while a five per cent rate would require more robust saving and investment.

There are several other areas pointing to a weaker economic performance. The decline in cocoa prices has already been noted. Further declines in the terms of trade will obviously restrict export lead development in Ghana. To a large extent Ghana's export prospects depend on a strong demand from developed countries.

The service sector, especially transportation and trade, has lead the economic advance. The largest sector of the economy, agriculture, has lagged behind overall growth of the economy. Therefore, future prospects will be contingent on improved agricultural performance.

There are also aspects of the structure of the economy which contribute to an optimistic view. A good deal of the Public Investment Program involves rehabilitation of capital, thereby suggesting a higher rate of return on investment than if projects were built from the ground up. Manufacturing has excess capacity with output at only 62% of the 1977 level. Accompanied by rehabilitation of plant and equipment, this capacity could be utilized at low cost. But these advantages will be played out by the end of the decade.

A major factor in the economy is debt service which, given its importance, receives little attention in many analyses. For the past few years, Ghana has devoted over half (56.6% in 1988) of its export earnings to pay principal and interest on its foreign debt. Debt payment has been absorbing 11 to 13% of GDP, which exceeds the portion of income devoted to public and private saving. A high water mark was reached in 1988 when debt service (including International Monetary Fund) was $609 million. This is projected to decline to $279 million in 1992.

Scheduled repayment on medium and long term loans (which do not include the IMF which is a major creditor) is known and can be projected with reasonable confidence. The following figures indicate a substantial decline in the GOG's projected debt service over LOP.

Assuming that other demands do not replace debt service, this should be seen as a highly favorable turn of events, since it represents resources which can be directed to development and improved living standards. It might also be used for meeting shortfalls in the design case for primary education.

GOG PROJECTED EXTERNAL DEBT SERVICE (MEDIUM AND LONG TERM)

Year	Million Dollars	Million Cedis	Change from 1990 Million Cedis
1990	215	76,250	8,400
1995	191	66,850	8,400
2000	126	44,100	31,150

Disposal of funds realized through reduction in debt service are complex in terms of the ERP and it is not clear to what extent any reduction can be spent through the recurrent budget. Interest payments fall under the narrow (recurrent) budget while principal is under the broad budget. But presumably, any realized saving in the form of principal could be used for public investment.

Growth projections are thus conditional on a number of factors which are themselves problematical. Assuming political stability and ongoing commitment of the GOG to its Economic Recovery Program (ERP), three per cent growth is a real possibility which should be explored. This scenario is presented in Table 6.

GOG is assumed to maintain its allocation to primary education, so that the budget will growth at three per cent per annum. When compared to the requirements, there is a large shortfall in maintaining the design case initiated by PREP. The shortfall would be equivalent to about eight per cent of the projected recurrent budget for education in both 1995 and 2000. In dollar terms, the shortfall in 1995 would exceed $9 million and grow to over $14 million by 2000. On a per student basis, the shortfall would be about ¢1500 ($4.36) in 1995 and increasing to about ¢2,000 ($5.78) in 2000.

A group of austerity measures can be assembled which would make up the five billion cedis shortfall projected by the scenario in the year 2000.

(1) It would be possible to lower the rate of increase in teacher emoluments at the primary level to perhaps four per cent per annum (p.a.) by partially abandoning the policy of decompressing salaries. This could reduce the year 2000 short fall by about ¢1.5 billion, or about 30% of the shortfall.

(2) Further contributions could be made by containing emoluments for MOE staff beyond primary and making an intra-sectoral transfer to the primary school budget. The magnitude (excluding higher education) would be about ¢1.9 billion.

(3) Another intra-sectoral transfer previously noted is food for secondary schools. If the projected amount for 2000 were devoted to primary education, it would account for another ¢1.7 billion.

The above items in total would make up the shortfall in the year 2000. Moreover, the university with its six billion cedi budget (projected for 2000) could be a source for intra-sectoral transfers. These could come from the planned abandonment of subsidises for room and board.

Local cost recovery could also be explored through contributions at the local level, such as from Village Development Committees, District Assemblies, churches and PTAs. If PTA were to raise ¢300 per student, the shortfall would be reduced by about ¢.9 billion. (fn: Parents are presumably contributing ¢120 per student in P3 and above, which will also reduce the short fall.) This would also have pedagogical value. On the other hand, cost recovery and local financing conflicts with equity goals by placing a disproportionate burden on poor communities and districts.

3.6 CONCLUSIONS

The sustainability of the design case for primary education is highly sensitive to the rate of economic growth which is in turn dependent on a number of factors which are summarized below. All projections are of course conditional on a number of factors, many of which are external to an open economy.

In formulating an appraisal of Ghana's prospects, a number of sources have been relied upon. In addition to the usual official sources, discussions have been held with a number of GOG officials and international donors. In addition, it is always useful to tap informal opinion of nationals who although lacking economic expertise, can be a rich source of information.

What emerges is based on subjective judgements as well as data. The quality of data has already been mentioned and it is appropriate to approach macro data with reservations. The expectation of five per cent growth is to some extent an extrapolation of the experience of the past few years. But it is not clear that the economy has been as robust as the statistics indicate. Was the decline of the 1970's as precipitous as it is thought to be?

At least part of the apparent decline in cocoa production was due to unrecorded cross border exports. Another type of unrecorded activity is that a substantial amount of internal transport was with foreign registered vehicles. Clearly there has been a major resurgence in the economy. But at the same time it is arguable that at least a fraction of the growth may be ongoing activities only now emerging from the informal economy. Moreover, over a short period, it may be difficult to distinguish secular from cyclical changes.

A number of grounds for optimism have been pointed out, not the least of which is political commitment and the elimination of corruption. This in turn is reflected in an array of policies being implemented under the

Economic Recovery Program (ERP), many of which have not been easy. The GOG has been actively rehabilitating economic and social infrastructure, with improved tax administration being an example of the latter.

The improved business climate has not yet brought a major response in the form of private saving and investment, although some seed money is being provided by foreign investors. Agricultural growth remains slow, although it is hoped that the development of non traditional exports might stimulate this sector.

External events in the world economy will have a major bearing on Ghana's future, especially in terms of demand from industrialized countries. Regional demand as in the case of electrical power can also make a contribution. These possibilities are not easy to forecast. Barring unforseen circumstances, rates of growth as low as three per cent seem unlikely. Reaching a four per cent level seems reasonably assured. Five per cent could be reached, but only with substantial increases in the rate of saving and investment and a strong demand for traditional exports and the emergence of new sources of export revenue.

It may be concluded that PREP initiatives are sustainable under all scenarios, but the degree of difficulty is heavily dependent on macroeconomic developments. On the basis of the most likely prospects, a forward looking GOG should prepare itself to make at least minor intra-sectoral reallocations over the next decade, and to make contingency plans for the major steps that four per cent growth would require, if the minimum quality of education which the PREP has assisted in establishing is maintained.

4.0 RATES OF RETURN TO EDUCATION

Education, much like a dam or a cement plant, can be seen as a capital project, although for the purpose of government accounts, it is put in the recurrent budget. The benefits are the increased incomes resulting from more productive manpower, while the costs include the costs of education and the earnings forgone while the student is in school. The rate of return calculates the benefits as a per cent return on the costs.

In the present exercise, only the social rate of return will be estimated. Private rates of return use after tax earnings to which are added non-educational transfers such as boarding expenses provided by government. On the cost side, all public expenditures are excluded. Private rates of return are almost always higher than social ones. Their calculation is useful in investigating the demand for education, but in general policy terms, less important than social rates of return.

4.1 EXTERNALITIES

Most studies only consider increased earnings in the benefit stream. It is nonetheless recognized that education contributes to human welfare in a number of other important ways.

Education, especially for women, has been shown to improve family health and nutrition. This effect is independent of improved health resulting from increased income. This spillover involves, among other things, "inter-generational" benefits, that is, subsequent generations will be more healthy and productive as a result of education today. Education also reduces fertility rates, which is an important consideration for Ghana with its high birth rate.

Education, in addition to being an economic input, is also a consumer good. That is, it contributes to well being in the same way that food and clothing do. Put differently, recipients of education are better off independently of the effects on earnings. This stems from the view that knowledge is intrinsically enjoyable and that education contributes to a fuller life.

All societies have social and political goals. In the case of Ghana, basic education is viewed as a human right, having a value over and above increased earnings. In addition, literacy may assist in creating an informed citizenry and contribute to social cohesion.

All things considered, the benefits of education exceed those captured in an analysis of rates of return. This implies that if returns justify investment in people on the basis of the usual calculations, it holds a fortiori that the investment should be undertaken.

4.2 NOTES ON DATA

The calculation of internal rates of return are extremely sensitive to many, although not all, of the inputs. Care has therefore been taken to catalogue all of the data utilized, and how they were derived. In making the calculations, when given alternative assumptions, the most conservative were always selected. Therefore, the rate of return to education should be considered as a lower limit, with the actual rate undoubtedly higher.

1. There are no earnings figures for Ghana which are disaggregated by education level and age. There are data indicating per capita expenditure by level of education of head of household, not all of whom are male. The following assumptions are made:

- o Expenditures are approximately equal to earnings;
- o The head of household accounts for 75% of earnings;
- o The household size is 4.8. This is the average for the country. Based on quintile approximations, it also appears to obtain to the two educational strata in question.

2. Families spend ¢1500 per child year on education. This includes stationery, book fee, and uniform. The last item is a major expense.

3. GOG spends 3180 (1987/88) cedis per student-year. Nonallocated expenditures, e.g. administration, have been pro-rated. This probably involves an over statement of costs.

4. There is an attrition of 32% between P1 and the end of P6. An alternative figure is 2% per annum (p.a.). The 32% figure is used here to be on the conservative side. Annualized, this adds 6.6% to unit costs. This overstates the cost of attrition, since the largest number of dropouts occur between P1 and P2.

5. Children of primary age not in school are assumed not make significant contributions to household earnings.

6. Working life is from 15 to 55 years inclusive.

7. Grade promotion in primary school is automatic, hence no provision is made for repeat rates.

4.3 COMPUTATIONS

The computation of rates of return ideally involves earnings by age on a cross sectional basis. Since this data is not available, a short cut method is applied. This assumes that the differences in earnings for age cohorts approximates the proportional difference in life time earnings. This is normally considered a modest assumption.

The calculations were made with Quattro software. The program is similar to Lotus 1-2-3.

4.4 THE SOCIAL RATE OF RETURN FOR GHANA

The rate of return to primary education is over 26 per cent. This is high compared to the cut off rate at where capital projects are considered worth while, which is typically 11-12%. It compares well with other African countries and is higher than for countries at intermediate levels of development.

This rate of return to primary education provides a strong supporting argument for PREP. The program will make a significant contribution to development, and indirectly generate government revenue as students enter the labor force.

A fully developed examination of rates of return to education could be an important project under PREP and would make a major contribution to educational policy. Properly conducted, it would also provide important information on health, agriculture and the informal economy.

200X

TABLE 1

Primary Education Projections

(1) Year	(2) Enrollment of Primary Students	(3) Number of Teachers (Stock)	(4) Student Teacher Ratio (Col 2/Col 3)	(5) Supply of Trained Teachers (Flow	(6) Attrition of Trained Teachers (Flow)	(7) Net Addition of Trained Teachers (Flow)	(8) Stock of Trained Teachers
1987/88	1,492,200	63,161	24:1	4200	1,000	3,200	38,000
1988/89	1,580,000	63,161	25:1	4200	1,000	3,200	41,200
1989/90	1,665,100	63,161	26:1	4200	1,000	3,200	44,400
1990/91	1,736,500	63,161	27:1	3500	1,000	3,300	47,600
1991/92	1,813,400	63,161	29:1	2800	1,000	1,800	51,100
1992/93	1,901,800	63,161	30:1	2800	1,000	1,800	52,900
1993/94	1,970,300	63,161	31:1	2800	1,000	1,800	54,700
1994/95	2,041,200	63,161	32:1	2800	1,000	1,800	56,500
1995/96	2,114,700	63,161	33:1	2800	1,000	1,800	58,300
1996/97	2,190,800	63,161	35:1	2800	1,000	1,800	60,100
1997/98	2,269,700	63,161	36:1	2800	1,000	1,800	61,900
1998/99	2,351,400	63,161	37:1				63,161
1999/2000	2,436,000	63,161	39:1				63,161
2000/01	2,524,000	63,161	40:1				63,161

Table 2

Projected PREP and GOG Expenditures
on Primary School Learning Material

GOG Fiscal Year	PREP($s) 1 Total	PREP($s) 1 Per Student	2 and 3 GOG Per Student ¢	2 and 3 GOG Per Student $	Total Per Student ($)
1989			172	.50	.50
1990			263	.75	.75
1991	1,300,000	.72	356	1.02	1.74
1992	2,000,000	1.05	450	1.28	2.33
1993	2,400,000	1.21	547	1.56	2.77
1994	2,700,000	1.30	548	1.57	2.87
1995	1,600,000	.73	550	1.57	2.30

1) PREP expenditures made in following fiscal year
2) $1 = ¢350
3) Share of Primary Budget for materials increases from 2% to 6%

Table 3

PROJECTED GOG REQUIREMENTS TO SUSTAIN PRIMARY SCHOOL EXPENDITURE (THOUSAND 1989 CEDIS)

	Materials	Emoluments	Other	Total Primary Expenditure
1989	286,652	13,890,192	155,754	14,332,598
1990	456,313	14,584,702	160,425	15,210,442
1991	644,966	15,313,937	165,239	16,124,142
1992	855,254	16,079,634	170,197	17,105,086
1993	1,088,864	16,883,615	175,302	18,147,784
1994	1,143,087	17,727,796	180,562	19,051,445
1995	1,200,010	18,614,186	185,978	20,000,174
1996	1,259,774	19,544,895	191,557	20,996,226
1997	1,322,522	20,522,140	197,304	22,041,962
1998	1,375,420	21,548,247	203,223	22,923,667
1999	1,430,043	22,194,694	209,320	23,834,057
2000	1,472,945	22,860,535	215,599	24,549,079

U.S. $ = ¢350

Table 4
Scenario I
The Five Percent Best Case Senario
(000s of Cedis)

	(1) GDP	(2) GOG Revenue	(3) Education Allocation	(4) Primary Allocation	(5) Primary Requirements
1989	1,312,100	251,443	95,548	40,130	14,332
1995 (EOP)	1,758,339	291,884	122,591	51,488	20,000
2000	2,244,136	372,527	156,461	65,714	24,549

1) GDP increase 5% p.a.
2) GOG Revenue as a share of GDP: 14.3% (1989), 16.6% (1992 on)
3) GOG allocation to education increases from 38% to 42% of budget
4) Share of education for primary schools 42%
5) From Table 3

24

Table 5
Scenario II
Five Percent Modified
(Million 1989 Cedis)

	GDP	Primary Allocation[2]	Primary Requirement[3]
1989	1,312,100	14,046	14,333
1995	1,758,339	18,823	20,000
2000	2,244,136	24,023	24,549

1) Based on 1989 Budget (Recurrent), primary share calculated at 32.2% of all education
2) 1.07% of GDP
3) From Table 3

Table 6
Scenario III
Three Percent Growth
(Million Cedis)

	GDP	Primary Allocation[1]	Primary Requirements[2]	Shortfall
1989	1,567,000	14,046	14,333	
1995	1,817,000	16,772	20,000	3,228
2000	2,106,000	19,443	24,549	5,106

1) Allocation increases 3% p.a.
2) From Table 3

Annex G

Financial Management Assessment

KPMG Peat Marwick Okoh Consultants

USAID MISSION TO GHANA

GHANA PRIMARY EDUCATION PROGRAMME
PRE-PAAD FINANCIAL MANAGEMENT ASSESSMENT

FINAL REPORT

May, 1990

KPMG Peat Marwick Okoh Consultants
Mobil House
Liberia Road
P. O. Box 242
A C C R A.

208

DISCLAIMER

The content,findings, provisions and recommendations of this report are those of KPMG Peat Marwick Okoh Consultants and do not necessarily represent the findings, provisions or recommendations of the United States Agency for International Development. This report was prepared as a pre-PAAD design assessment of the financial management procedures of the Ministry of Education. It may therefore not reflect the content of the final design document.

209

TABLE OF CONTENTS

		Page
	Acronyms	iv
1.	**INTRODUCTION**	
	.1 Background	1
	.2 Terms of Reference	1
	.3 Report Presentation	2
	.4 Acknowledgement	2
2.	**METHODOLOGY**	4
3.	EXECUTIVE SUMMARY	5
4.	**FINDINGS AND OBSERVATIONS**	
	.1 Role of MFEP in Govt. Budgeting Procedures	8
	.2 MOE Budgeting, Allocation and Disbursement	10
	.3 Project Management Units of MOE	16
	.4 Statement of Educational Data	23
5.	**USAID/MOE RELATIONSHIP**	
	.1 External Funding Relationship	29
	.2 Co-Financing MOE Budget	29
6.	**FLOW OF USAID FUNDS**	32
7.	**FINANCIAL AUDIT SCOPE OF WORK**	33
8.	**PREP FINANCIAL MANAGEMENT**	38
9.	RECOMMENDATIONS	41
10.	CONCLUSIONS	43
Appendix	A: Terms of Reference	
	B: Financial Overview	
	B 2 GOG Budgeting Process Flow Chart	
	B 3 GOG Disbursement Process Flow Chart	

40

ACRONYMS

A.I.D	Agency for International Development
BOG	Bank of Ghana (GOG)
CAG	Controller & Accountant General's Department (GOG)
DCA	Development Credit Agreement
DEO	District Education Office
EDSAC	Education Sector Adjustment Credit (GOG - World Bank)
FE	Financial Encumbrance
GES	Ghana Education Service
GOG	Government of Ghana
IDA	International Development Agency
IERD	International Economic Relations Department (MFEP)
LPO	Local Purchase Order
MFEP	Ministry of Finance & Economic Planning (GOG)
MOE	Ministry of Education
PAAD	Program Assistance Authorization Document
PAIP	Program Assistance Initial Proposal
PIP	Public Investment Program
PMU	Project Management Unit
PREP	Primary Education Program
PV	Payment Voucher
SIV	Store Issue Voucher
SRV	Store Receipt Voucher
TOR	Terms of Reference
USAID	United States Agency for International Development
WORLD BANK	International Bank for Reconstruction & Development.

211

1.0 INTRODUCTION

1.1 Project Background

The USAID Mission to Ghana has identified the primary education sub- sector within the Ghanaian educational system for funding in view of the perceived inadequate resource allocation within the educational sector which is presently skewed towards higher levels of education.

Despite the achievements of Education Sector Adjustment Credit Program (EDSAC) which is funded by the World Bank, the Mission believes that the objectives of the education system will not be achieved because of the rippling effect that a weak primary education will have on post-primary levels and hence leading to a predominantly illiterate population ill-prepared to function effectively in a developing economy such as Ghana's. It is for this reason that the USAID has initiated a Program Assistance Initial Proposal (PAIP) towards funding Primary eduction in Ghana. However, to enable USAID prepare its Program Assistance Authorisation Document (PAAD) there is the need to assure the USAID

(1) of the financial management capabilities of the Ministry of education, (MOE), the implementing agency;

(2) that the local currency generated from AID funds will be used purposely for the programme objectives, and

(3) there is an efficient currency tracking and information system in place.

1.2 Terms of Reference

The terms of reference (TOR) have the following objectives.

(a) To analyse the financial management capabilities of the MOE to implement a performance based accounting system that will budget, track and report on expenditures against approved budget allocations for Primary Education.

(b) To recommend, if necessary, means to improve those institutional capabilities; and

(c) To recommend methods to ensure that the financial requirements of the PREP program can be met.

The full text of the TOR is reproduced as Appendix A.

212X

1.3 Report Presentation

The background to the study is covered in the Introduction which is followed by Methodology describing our approach to the study. The third chapter covers the Executive summary which sums up salient points in the details of the main body of the report.

Chapter four covers Findings and Observations on the budgeting, allocation and disbursement procedures of MOE and MFEP, an assessment of the PMUs of MOE, and an analysis of educational data.

The fifth chapter examines the USAID/MOE relationship followed by chapter 6 which describes a tracking system of USAID funds. The seventh chapter details out scope of work for financial audit whilst the eighth chapter deals with financial management procedures required specifically for PREP.

The ninth and tenth chapters cover recommendations and conclusions respectively.

1.4 Acknowledgement

The production of this report was made possible through various interviews with officials in the implementing agency (MOE) and officials of other agencies whose roles are crucial to the attainment of the programme objectives. We are grateful for the audience granted us and relevant literature that was made available for our use. The following persons were in particular very helpful (listed in the order in which they were visited).

Mr. K. Bossman-Dampare - Director of Budgets, MOE

Mr. Dwomoh - Director for Planning, Budgeting and Monitoring Division, MOE.

Mr. C.L. Laryea - Acting Chief Accountant, GES

Mr. Konadu-Yiadom - Assistant Director, Budgets and Financial Controls, GES

Mr. Aberdi-Asante - Director of Budgets - GES

Mr. Agyei-Mensah - Regional Accountant, Greater Accra, GES

Mr. C.V.K. Tsekpo - District Accountant, Accra

213

Mrs. Rosalind Adotey	- Unit Head, Textbooks Unit, Accra District, GES
Miss Araba Korsah	- Project Officer (Disbursements) PMU-MOE
Mr. Nicolas Bernett	- World Bank Representative, Accra
Mr. Bogne Oscar	- Director of Budget - Basic Education, MFEP
Mr. Ed Birgells	- USAID Program Officer
Mr. Larry Grizzard	- USAID Controller
Mrs. Vida Yeboah	- PNDC Dep. Sec. for Education
Mr. Jeffrey Goodson	- USAID/REDSO/WCA

Peat Marwick Okoh Consultants May 1990

24

2.0 METHODOLOGY

(a) Approach

Previous studies commissioned by USAID and made available to us, notably

PAIP Ghana Primary Education Program
Ghana Education Sector Review, and
Institutional & Policy Assessment of the MOE

provided useful background information for this assignment.

Interviews were held with Government officials in the Ministry of Education (MOE), Ministry of Finance & Economic Planning (MFEP) and other bodies in so far as their activities had a bearing on this study. This included the World Bank and the Controller and Accountant-General's Department.

The budgetary, allocation and payment processes were examined in both MOE and MFEP. With respect to the MOE, visits to the Greater Accra Regional Education Office as well as the Greater Accra District Education office provided an idea of the record-keeping style in the districts and the reporting relationships with the Head office. Also an examination of the Govt's Stores Management and Procedures proved to be a useful exercise in so far as a major portion of the PREP budget deals with textbooks and other school supplies.

Furthermore, the role and effectiveness of PMU was also examined as it was perceived to play a dominant role in the success of the PREP program.

Finally we made reference to our Firm's previous experience in providing financial management advise to clients, both profit and non-profit making, in recommending the reporting formats included in this report.

(b) Assumptions and Limitations

The Ministry of Education at the moment has a straggling organisational structure that suggests opportunities for duplication of the functions in certain areas as well as the absence of the performance of some other vital functions in other areas e.g the consolidation of all expenditures both locally and externally funded. Again in so far as expenditure on primary education spans across more than one cost centre, budgetary (and corresponding expenditure) errors and omission in ascertaining accurate figures are bound to occur and the accuracy of our report would be affected to the extent to which we have had to place reliance on such figures.

3. EXECUTIVE SUMMARY

Introduction

The USAID having observed the allocation of inadequate resources to Primary Education, especially in the area of teaching aids and other learning materials and considering the fact that Primary Education provides the foundation for secondary and tertiary education is contemplating providing GOG a grant towards remedying the situation and requires an assessment of the financial management capability of the MOE, the implementing agency.

MOE Budgeting, Allocation and Disbursement

The MOE budgeting system statutorily follows the GOG system administered by MFEP to all GOG Ministries and Departments. Thus after June of every year, guidelines for the preparation of the ensuing year's budget are circulated to MOE and to its adjoining Divisions. Data is collected from the Districts to the Regions and finally collated at the various Divisional Directorates. The Divisional budgets are again collated by the Planning, Budgeting, Monitoring and Evaluation Division of the MOE into a budget for MOE; and this is agreed with the MFEP.

Very early in the financial year (Jan), provisional estimates are released by MFEP followed by approved estimates all of which is evidenced by the issue of a Warrant to the CAGs Department authorising the release of funds.

The MOE does allocation of funds amongst the Directorates which in turn reallocate according to sub-units or Regions and Districts as the case may be. The MOE accounting system uses statutory books into which entries are made. Monthly expenditure returns are expected to be submitted and their submission is a condition for further release of money for the following quarter. However, the above purpose is defeated mainly because of communication problems.

The Auditor-General's staff conducts routine audit of expenditures and reports to the various Directorates of the MOE with a copy to the Auditor General.

Program Management Unit

The setting up of PMUs within the MOE is the consequence of lax record-keeping and financial reporting performance of GOG. Donors to the Education Sector found it inevitable to set up PMUs to assure them of the proper usage of funds and a system adequate

enough to prepare timely reports.

State of Educational Data

The crux of the study has to do with the ease with which data on Primary Education can be ascertained and the nature of reporting and monitoring in place. To some extent MOE attempts to disaggregate educational data and tries to link it to particular educational levels. However, the policy of centralizing spending authority relating to school textbooks, learning and teaching materials, management and supervision, and training as well as the large number of personnel performing tasks across educational levels makes the ascertainment of expenditure data per educational level difficult, and disaggregation would be a special exercise. It is also to be noted that Govt's published recurrent budget figures show only expenditures incurred by Govt and thus do not portray the educational budget of the entire nation. Therefore disaggregation would involve adding proportionate values of data from several of the present divisions of MOE to data on cost centre 142-02 which is the designated Primary Education cost centre. Guidelines for achieving this are provided in the body of the report.

USAID/MOE Relationship

An expanded EdSAC PMU will provide the coordination between USAID and the MOE. It will be responsible for preparing detailed budget for PREP funds and also be required to keep separate books of account so as to be able to isolate PREP financial affairs from all others for ease and speed of reporting and audit verification.

Tracking USAID Funds

A separate bank account to be designated MOE/PREP Account will be required to be opened at a commercial bank to receive the cedi equivalent of the amount that would be released in tranches. These cedis will have been obtained through the Bank of Ghana auction system. The PMU will provide the conduit for drawing on these PREP funds and disbursing them in accordance with approved budget. It will also through the keeping of separate accounting books provide detailed information on usage.

PREP Financial Management

Prep Financial Management requires the keeping of accounts separate from the MOE system, maintaining strict financial discipline in procurement and disbursement of funds, and regular reporting of expenditure data. Forms have been designed and attached as Appendix D to facilitate the provision of data which shall include comparisons of actual with budget and reasons for

variances disclosed. A financial audit is proposed to be included in the financial management system, and a full audit scope is provided the body of the text.

Recommendations & Conclusions

Our conclusion is that PREP objectives will be achieved if a PMU is engaged as an expediting body within the Implementing Agency (MOE), with Program and Accounting officers specifically in charge of PREP activities to monitor, document, evaluate and report on the progress of the Program.

4.1 The Role of the MFEP in GOG Budgetary, Allocation and Disbursement Processes

The Ministry of Finance and Economic Planning (MFEP) is the Government arm that coordinates the budgeting mechanism of both recurrent and capital expenditure of the entire country.

The procedure is that after the first half of the year, (usually in July), the MFEP sends out guidelines for the preparation of the ensuing year's budget to all Government Departments and Ministries including the MOE.

The guidelines are both general and specific. The general guidelines cover the area of the expected target growth of real output, inflation rates and the external exchange rate to the cedi which should be applied for the value of imported goods or for transfers abroad. Specific guidelines relate to matters to be considered in the preparation of both the recurrent expenditure estimates and Capital/Development expenditure.
The process of budgeting for recurrent expenditure is covered under 4.2 below.

In the case of Development/Capital expenditure a Public Investment Program (P.I.P) information questionnaire is filled by the particular government agency, in this case the MOE. The MFEP requires that budgets prepared by the implementing agency (MOE) cover the approved list of development projects for both the Public Investment Program (PIP) and non-PIP projects.

Capital/Development expenditures have been re-classified into three (3) broad Categories viz:

i) Head office - or Regional Office - related Capital Expenditure

   This Covers:

   (a) The acquisition of capital inputs needed to improve operational efficiency, e.g office furniture and equipment, provision of office and residential accommodation.

   (b) Logistic support projects covering the acquisition of other equipment and motor vehicles for use by the Head/Regional/District offices.

ii) Development Oriented projects

These are described to cover commercial, economic and social infrastructure and service projects, e.g rural electrification, rural health program, feeder roads rehabilitation and development, rural water scheme etc.

iii) Research Oriented projects

These are mainly projects undertaken by research institutions like the Council for Scientific and Industrial Research (CSIR) and the Universities. These are to be treated as single project and all related activities listed under them. Where some of the research projects are unique, they could be treated as separate projects. In all cases, the objective, the Scope of activity, the physical facilities requested, the location of sub-projects, the cost and the source of funding must be provided.

The Head offices of the various ministries are expected to collate, summarise and analyse all expenditure returns before finally submitting them with observations and comments to the Budget Division of the MFEP. Upon the receipt of the draft estimates the MFEP conducts Budget hearings. Figures agreed to are then adopted as Government Provisional estimates which are then published. This forms the authority for the incurrence of expenditure.

Disbursement Process

MFEP provides **provisional** and later within the year **annual estimates** of expenditure - on item by item basis - and then issues a general warrant to the Controller and Accountant-General CAG to effect payments (based on the provisional/annual estimates).

As regards Capital/Development projects, MDE is required to submit applications to MFEP which then issues a specific warrant to the CAG to pay the approved amount on its behalf.

MFEP is also involved in the operation of counterpart funds, where the opening of such accounts is required under agreements between the Government and Donor Agencies. The International Economic Relations Division (IERD) of the MFEP causes the Controller and Accountant-General to open such special account sometimes called Counterpart Fund at the Bank of Ghana or a Commercial Bank into which all cedis generated under the grant agreement are paid. The monies received are then programmed by the MFEP over the activities to be undertaken.

Both the budgeting and the disbursement processes are illustrated in flow chart form as Appendices B2 and B3.

4.2 MOE Budgeting, Allocation and Disbursements

4.2.1 Budgeting Process Within the MOE

(a) Recurrent Budget

Following the receipt of MFEP guidelines, the MOE in turn requests from its adjoining Units and Divisions estimates following specific and general directives issued by MFEP.

Several units, divisions and committees comprise the Ministry of Education including West Africa Exams Council, Ghana Book Development Council, Ghana Institute of Languages, Institute of Professional studies, The Universities Ghana, to name a few, and the Ghana Education Service (GES) which has responsibility for Basic Education, Secondary Education, Technical Vocational Education, Teacher Education, Manpower and Inspectorate, not to mention GES' own administration department. Within some of these sectional divisions are regional and district offices.

In response to the terms of reference, the discussion of MOE will largely be centered on the GES where Primary Education, as part of Basic Education, belongs.

MOE describes its budgeting as Program budgeting, by which is meant the needs of each activity are identified and estimates for the recurrent budget are made in accordance with the accounting codes for government accounting. For instance, some of the programs identified by Ghana Education Service (GES) are:-

- Vocational Education
- Primary Education
- Middle Education/Junior Secondary Education
- Teacher Education
- Secondary Education
- Technical Education
- Management and Supervision.

Each of the above programs is then re-categorised according to expenditure headings namely - item 1 - 5. Item 1 covers issues on Central administration which relate mainly to Personal emoluments; item 2 covers estimates on travelling and transport; estimates on general expenditure is covered under item 3, whilst item 4 covers Maintenance, Repairs and Renewals; item 5 is the heading for supplies and stores. It is significant to note that estimates for item 5 are centralised at the MOE.

Data for the budget emanate from the District Education Offices with Unit Heads of budgets (organizers) providing the necessary information in their various subject areas. At the District level, an Assistant Director of Education and his Budget officer or a designate would then collate all the information available

into a budget for the District.

All budgets for the Districts are then Consolidated into a Budget for the Region. All Regional Budgets are finally Consolidated by the Director for Budgets and Planning and his assistants at the National Secretariat of the respective divisions within the MOE. The individual Divisional budgets are then collated and consolidated by the Budget Division of the MOE.

At the various levels of coordination, there is a mini budget hearing which involves defending and justifying the basis for the estimates, leading to a final hearing where the MOE budget is defended, justified and agreed upon between the Budget Division of MOE and MFEP.

At the end of the process and very early in the ensuing year, the MFEP releases provisional estimates (allocations) to the MOE, and issues a warrant to the Controller and Accountant General's (CAG) Department authorising the release of funds to the MOE.

4.2.2 Allocation of Funds

Allocation of funds is the distribution of money and its attendant authority to spend such monies in the Ministries. The process starts by the issue of warrant (authority) by the MFEP to the CAG in favour of the Ministry. The Ministry then allocates the funds on a hierarchical basis from the Divisions of the MOE through the regions to the Districts. This takes place at the beginning of each quarter.

All allocations are evidenced by a Financial Encumbrance which is a document that authorises the CAG (Treasury) to release funds against specified accounts codes of divisions or Units of the Ministries. Item 1 covering personal emoluments is fully catered for directly by CAG's Department (i.e it is Centralized) in accordance with Financial Regulation of GOG. Hence allocations cover items 2-6 (namely Travelling & Transport (2), General Expenditure (3), Maintenance Repairs & Renewals (4), Supplies & Stores (5), and Subvention (6)). The allocation is done by the Regional Director (spending officer), Regional Budget officer and the Regional Accountant.

4.2.3 Disbursement of Funds

The Head office of MOE is limited in its role as far as disbursements to the Regional and District offices are concerned. It handles General Administration and a couple of divisions.

Each divisional directorate within the MOE has a Budget and Planning Unit which plays a prominent role in the disbursement

process. In the case of the GES, the Budget and Planning Unit allocates as well as disburses most of the funds to the Regional offices for control purposes. The amount to be spent each quarter is evidenced by the issue of a financial encumbrance (FE) which is lodged with the Treasury (CAG). Payment vouchers (PV) are raised in respect of the particular expenditure item attached to the FE.

The PVs from the District Offices are submitted to the Regional Directorate for examination and approval. The examination and approval are done in two stages: The Internal Audit Unit examines the documents attached to the PV to see whether the expenditure is in the approved budget in order to forestall misapplication of funds. The second stage is where the PV and its associated documents are examined and approved by the Regional Accountant who also checks to ensure that the drawing limits for the particular expenditure items are not exceeded. The approved PV is then submitted to the Treasury (CAG) which also does its own examination to make sure that payment is effected out of the relevant funds and that all pre-requisites for the authorisation of expenditure, like Internal Audit evidence of check and signature of designated authority are proper.

It may be noted that all expenditure to be incurred must have been budgeted for and funds allocated for it at the beginning of the quarter. Such allocated funds are sometimes called votes. If the vote for a particular description of expenditure is used up (ie. vote is exhausted), no further payments may be made in that expenditure category without violating the Government's Financial Regulations. If in spite of this situation an expenditure needs to be incurred and there happens to be unutilized vote in another expenditure category which is no longer required to be used for the original purpose, the amount for the shortfall could be vired from the second category to the first. Virement means exercising authority in re-allocation of funds. Different spending officers have different powers of virement, and for example where virement is to occur across programs (cost centres), the authorisation must be obtained even outside the MOE (in this case MFEP).

ACCOUNTING FOR FUNDS

(a) Books Kept

There are a number of accounting books kept depending on the extent of program funding and the level of responsibility. At the Ministry of Education Headquarters a Vote Service ledger is kept into which amounts allocated are credited and expenditures debited.

The Vote Service Ledger is supported by a subsidiary expenditure ledger also analysed along the lines of the existing accounts codes.

The accounting function of the Headquarters of the MOE is limited to the Central Administration program and an imprest book kept for petty office transactions.

At the accounting offices, the following books are kept:

(1) Vote Service Ledger
(2) Expenditure Ledgers
(3) Salary abstract Register
(4) Fuel Control Book
(5) Drawing Limit Book
(6) Register for Value Books, and
(7) Inventory Book.

The Vote Service Ledger takes care of all allocations released and is entered according to the various accounts codes and shows particulars of the F.E establishing the allocation. Against this entry are contra entries in respect of actual expenditures incurred indicating details of the expenditure, the PV No., the payee and the date of payment.

The Expenditure Ledger shows analysis of the various expenditure items and serves as a subsidiary ledger.

The Salary Abstract Register shows extracts from the PVs released by CAG in respect of Personal emoluments (item 1).

The Fuel Control Book records requisition & supply of fuel from the Public Works Department (which services all Central Government outfits in respect of fuel needs).

The Inventory Book is a kind of fixed assets register. It describes the type of asset, its location, the cost, and supplier's details.

The Register of Value Books lists all value books in order of sequential numbering and type. Examples of such value books are Local Purchase Orders and Receipt books.

(b) Relationship between Districts, Regions and Headquarters

The District accounts to the Regional Budget office by sending expenditure returns indicating the approved estimate, the amount expended in the previous month, the amount expended during the current month, the amount committed for the period and the unspent balance. The expenditure return is prepared by the

District Accountant and checked and approved by the Assistant Director of Education.

Similarly, the Regional Accounts offices also send monthly expenditure returns to the Budget Division of the GES at the Headquarters.

In all these cases, allocations and approval of Financial Encumbrances for the ensuing quarter are subject to the receipt of Monthly Expenditure Returns at the relevant reporting level. It was evident at both the Regional and District levels that for the first quarter of 1990, no expenditure returns had yet been submitted to any of the reporting levels at the time we visited the MOE for the reason that apart from Personnel emoluments which are being catered for by CAG's Department at a central point, all other items (from 2-5) had not had their provisional estimates released yet.

Accounting for Expenditure Item 5 (Stores & Supplies)

Procurement within the MOE is centralized.

The procedure adopted follows competitive bidding and involves the Central Tender Board at the MFEP. Bidding can be either local or international depending on the nature and the size of order of the item.

The selected supplier(s) delivers the goods and attaches his invoice.

The consignment of goods is checked by the Internal Audit for conformity with specifications in the LPO. The goods are taken on charge and the store-keeper issues a SRV (Stores Receipt & Voucher).

The Logistics Unit distributes the goods to the various districts using enrolment figures as a basis. They sometimes allocate on pro-rata basis where the items are inadequate. Each district's allocation is covered by a Stores Issue Voucher (SIV) issued by the Logistics Unit and the goods are conveyed to the districts accompanied by a National Service Personnel. At the districts, the items are checked. The quantity received is entered onto tally cards and into ledgers. There are separate ledgers distinguishing between educational levels, except where the items are common to all the educational levels (eg.stationery). The supplies and stores are re-distributed at the district level according to schools. Allocations to every school are covered by a waybill.

Proceeds of C120 per pupils are collected for text books, although in the case of stationery, pupils pay for the items depending on what is supplied to them at prices approved by MOE Headquarters.

The MOE provides each school with receipt books which are issued in triplicate and distributed as follows:-

- one to the pupil
- one to the District Textbook Unit
- Book copy.

The various School Headteachers send amounts collected in respect of text books and stationery to the District Textbook Unit. The District Textbook Unit issues a receipt to the Headteacher and records this in a note book indicating the date, particulars of the Headteacher, the receipt number. At the end of the day or the week, as the case may be, cash on hand is checked to receipts issued and consequently a pay-in-slip is prepared and signed by the Head of the Textbook Unit, and the amount banked into the district EDSAC Account. The District Textbook Unit at the end of each month requests for a Bank statement and attaches pay-in-slips to it for onward delivery to the Project Management Unit of EDSAC at the MOE Headquarters.

Besides the central purchase of books and stationery, education officers are permitted to expend monies allocated to them for supplies and stores, but the items usually covered by such authority are sports and recreational materials.

Total expenditure for Stores and Supplies for Primary Education therefore would be the sum of expenditure under Primary Education cost centre and portions applicable to Primary Education under various divisions especially Basic Education Cost Centre.

Audit and Monitoring

The Auditor - General's Staff carry out a statutory audit once a year. This is tied to coincide with the school year which ends in August.

In addition, the EDSAC monitoring team also carries out annual check on receipts, issues and stock levels.

4.3 Project Management Units of MOE

There are two Project Management Units (PMUs) within the MOE. These are the EdSAC PMU and the HERP PMU as discussed below.

4.3.1 The Project Management Unit (EDSAC)

This Project Management Unit (PMU) is a Unit solely set up to administer World Bank and other Credits programmed for activities within the Education Sector.

The Organisation of the PMU is headed by a PNDC Deputy Secretary for Education (Basic Education) assisted by a Project Co-ordinator who is reported to by four Project officers (PO) responsible for Disbursements, Procurement, Programmes and Logistics. The project officers are assisted by Assistant Project Officers.

The Accounting Function of the PMU has been contracted to a firm of Chartered Accountants, Oduro Adiyia, Osei & Co. which writes up the accounts books and produces the periodic returns that are required by the donor(s). The Accountant's staff consist of 3 accounting persons all holding Intermediate Certificates of the Institute of Chartered Accountants (Ghana) (CA). There is one Ministry of Education staff holding Final part II of the CA Ghana who assists the P.O.-Disbursement.

Book-Keeping

Four main Cash books are kept, namely the Local Cash Book(s) and the Foreign Cash Book(s).

The Local Cash Book is again categorised as Cash book No.1 and No.2 and also a Petty Cash Book kept for office transactions.

There are two foreign Cash Books No.1 and No.2. The No.1 Foreign Cash book relates to transfers from foreign account to the local Account for all the eligible expenditure. Monies are transferred from the Foreign account with Ghana Commercial Bank (GCB)-Liberty House into the GCB - Ministry Branch Account which forms the local account. This local account caters for programmed activities like printing, stationery, in-service training, furniture and equipment, project implementation, PMU repairs and general expenses, consultancy and contract payments. The Cash Books are properly cross-referenced to ledger accounts for all the account headings.

Ledger accounts are maintained for the 84 education districts. The district accounts take care of all funds and supplies given to the District Education Officers. Funds are advanced for shift

allowances, work benches (or J.S.S. furniture) and Travelling and Transport expenses for the collection of textbooks by various school heads from the District Education offices.

There is a second element of supplies in the form of Roofing sheets,School food programme, textbooks and stationery. These latter supplies (textbooks & supplies) are sold to the school pupils. All proceeds generated from the sale are banked into EDSAC Account at the District levels.

The PMU has instructed the operation of two EDSAC bank accounts, namely No.1 Account, No.2 Account in the districts. Amounts for district offices' use are banked by the Assistant Director of Education (District Education office) into the EDSAC No.1 Account. Account No.2 collects proceeds from sale of stationery & use of textbooks. PMU has a standing order with all the District Banks operating the EDSAC Account 2 to automatically transfer the amounts into a Revolving Fund Account with GCB, High Street Accra. The District Education officers are supposed to submit a monthly return showing the application of all funds advanced to them and how much has been deposited into the EDSAC revolving fund. (However, the regularity of the returns is hindered by the untimely manner in which the various banks are able to give out bank statements).

On the basis of the returns submitted by the DEOs, the Project Accountant's staff prepare a reconciliation statement which is sent to the DEOs showing items supplied, and amounts transferred to the Revolving Fund, and if there is any balance, an explanation is required from the DEO.

It is noteworthy to mention that as part of the books kept by the PMU there is a Fixed Assets Register which notes details of type of asset, the supplier, the Invoice No., location, identification number and the original cost.

Accounting Job Schedules:

One of the accounting officer's job schedule involves keeping individual ledger accounts for the 84 education district.
His job entails maintaining the Cash Book No.2 Local and the Revolving Cash Book and also preparing a Reconciliation statement from the Revolving Bank statement from GCB, High Street and the returns for the 84 Districts.

The Second Accounting officer handles Cash Book No.1,(Local) and Cash Book No.2(Foreign) and also the Petty Cash book for office use. He also prepares monthly returns.

The Third Accounting officer keeps the accounts for the Norwegian grant and the OPEC funds.

The Fourth Accounting officer assists the Project Officer For Disbursements in the preparation of Payment Vouchers, and maintains the assets register, as well as keeping the No.2 Cash Book Foreign which takes care of all funds generated from the sale of bidding documents.

Budget Process

Budgets are prepared annually on the eligible categories of expenditure with the understanding that the PMU budget is to be financed from the EDSAC Funds.

Disbursement Process:

Monthly purchases are done in bulk and are subject to local tender or International Competitive Bidding depending on the total amount involved. If the total amount involved does not exceed $200,000 the tender is done locally; otherwise it is done internationally.

The procedure for the local tender entails obtaining Proforma Invoices from at least three (3) suppliers. Supplier selection Criteria are set by a Competent Committee (although there is no permanent Committee) and the selection is done by the Committee. Once the contract is awarded to a supplier it is enough authority for the disbursement to be made as follows;

10% of the Contract sum -	on award of contract; letter is written directly to PMU bankers to pay the Supplier
40% of the Contract sum -	On delivery of 50% of goods/services
50% of the Contract sum -	after goods have been received and accepted.

A Payment Voucher is prepared in respect of each payment to which is attached all documentary evidence of the transaction.

There are two signatories who authorise payments. These are the Deputy Secretary (School Education) and the Project Officer responsible for disbursements.

Accounting for Supplies

On selecting a supplier, a letter is sent [effectively a local purchase order] to the supplier and a copy forwarded to the Logistics Unit. The supplier in turn sends supply documents to the Logistics Unit which distributes the supplies.

The allocation and distribution are recorded by the Project Officer responsible for Logistics.

The Distribution list is given to Supervisors who will organise the storekeepers and the ledger clerks. The storekeeper issues SIV to cover the goods being despatched and the ledger clerks take up the entries in their respective ledgers.

Each despatch of supplies is accompanied by a National Service Secretariat Personnel who takes along stores issue vouchers (in duplicate) specifying details of the allocation. When the supplies get to the district, the District Store-keeper will cross-check the items to the specifications on the SIV. The storekeeper then issues a Stores Receipt Voucher in duplicate for the actual items received and the original of the SRV is returned to the PMU by the National Serviceman.

The DEO sends monthly returns on all items supplied directly to PMU attaching the relevant SRVs and Bank Statement.

Reporting Requirements

A Monthly Replenishment Statement is prepared and sent to the World Bank. It specifies amounts spent classified by World Bank expenditure category and supported by all relevant documents viz - SIV, SRV, pay-in-slips, bank statements, invoices, contract documents etc.

Five copies of the report are prepared and distributed as follows:

3 copies to the World Bank
1 copy to MFEP
1 copy retained by PMU

At the end of the period a comparative trial balance is prepared, showing actual expenditure as against budgeted.

No final accounts by nature of Balance Sheet or Summary of Expenditure Account are prepared.

Internal Audit - There is no trace of the internal audit function within the operation of PMU. The explanation is that they have not found it necessary since the hierarchical structure is not complex, and one can determine eligible and ineligible expenditure and make sure of the proper application of funds.

230

4.3.2 The Project Management Unit (HERP)

This PMU was set up solely to administer the Health & Education Rehabilitation Project (HERP) funded by the International Development Association (IDA).

The Unit is manned by a Project Manager assisted by Project accountant and Project Architect all of who report to a Deputy Secretary of Education.

The accounting function is performed by only one person drawn from the MOE accounting department. The books of accounts and records are separate from the mainstream accounting of MOE.

Cash books are kept for local (cedi) account at the GCB Ministry Branch, and foreign (dollar) accounts with GCB Liberty (Accra) and GCB London.

The GCB London account takes care of a revolving fund of $1 million advanced by the IDA. Amounts are then transferred from the GCB London Account into the GCB Liberty Account from which amounts are drawn for local use.

Ledgers are also kept into which entries are made from the Cash books and properly cross-referenced.

All disbursements are authorised by the Deputy Secretary of Education. Payment Vouchers are raised, processed and filed chronologically.

Sometimes direct payments are made by IDA for purchases of goods and services especially when the amount is huge and cannot be funded from the Revolving fund.

There is a stores ledger which shows details of all procurement. All items procured are issued to PMU which does the allocation and distribution. However the records were deficient in showing issues made to the other PMU, but this is considered insignificant. This is attributed to lack of coordination between the two PMUs.

Budgeting:

Annual budgets are prepared to provide a basis for expending the funds. Actual expenditures are from time to time compared with budget.

231

Reporting Requirements

A report is required to be issued on the Revolving Fund if the amount dwindles to between 1/2 and 1/3 of float. This allows for a very flexible reporting timetable.

Reporting Format:

A Statement of Expenditure (SOE) is prepared and signed by the Project Manager and the Deputy Secretary for Education. Appendices to the SOE include documents such as waybills, receipts, invoices, Bank Statements/Advises, Contract documents and Bills of Lading.

A reconciliation statement is prepared showing amounts advanced by IDA and records per the books of the PMU. Any discrepancies are explained in detail.

The SOE with its appendices are sent to the IDA Representative in Ghana and a copy retained in the office.

At the end of the period, final accounts are prepared in accordance with the financial covenant of the IDA. The final accounts take the form of a Balance Sheet showing the state of affairs of the Project and a Resource and Expenditure statement (RES) showing Credits drawn, project preparation fund and other funds on the one hand and the expenditure funded on the other hand. Attached to the final accounts are notes/statements showing summaries of movements in approved credit by expenditure categories broken into amounts disbursed and the balance outstanding.

There is also a statement of Drawn and Undrawn balances. The undrawn balance is explained by budgeted projects yet to be executed.

In accordance with the financial covenant enshrined in the Development Credit Agreement (DCA) with the IDA, the accounts are audited and Certified by external auditors. Accounts for the years 1987 and 1988 had been audited.

4.3.3 World Bank Requirements for Credit lines to MOE

The World Bank in granting Credit to the Education Sector identified two problems with the existing structure of the MOE namely:

(1) Delays in reporting application funds. It was assessed that with the governmental accounting system, it takes a long time to ascertain the trend of expenditure.

237

(2) The Control over expenditure was loose.

The foregoing reasons account for the insistence of the World Bank for the setting up of Project Management Units. The Project Management Unit's functions transcend financial and accounting and involve procurement, training, monitoring and evaluation functions as well.

To assure it of use of funds for specific projects, it has accounting & reporting requirements for every project.

The Bank's lending terms insist on specific accounting requirements to ensure accountability and adequate financial management of the project(s).

This implies that MOE should keep adequate records consistently maintained in accordance with sound accounting practices from the inception of the project, and should be subject to Satisfactory Control and Verification.

In pursuance of the foregoing, a suitable financial reporting system is a Condition Precedent. Similarly, an Auditor to provide an independent opinion and high quality report is required.

In circumventing the existing structure of the MOE, a tracking system was implemented. This required specific records to be kept and standard forms used to aid in financial reporting. Further, the World Bank avoided mixing its funds with that of GOG and therefore assisted on the establishment of special accounts with well set-out procedures for withdrawals.

Verification procedures involved annual audits by an Independent Auditor proposed by GOG and satisfactory to the World Bank, as well as the supervision of projects to take the form of random checks on statement of expenditures by a World Bank official.

To avert problems encountered with decentralized purchasing system, a centralized procurement approach was adopted. These measures have contributed to immense Cost Savings in items 2 - 5 in the MOE budget.

In a bid to sustain the achievements of the PMUs, the World Bank is undertaking a re-organization of the MOE in order to strengthen planning, monitoring and evaluation. To attain the foregoing objective, there are plans underway (although a specific time frame was not given) to move the budgeting and control functions out of all the adjoining divisions of MOE and centralize those functions at the MOE. Furthermore the re-organization entails strengthening the planning and statistical base of MOE.

233

With the above mentioned efforts, it is hoped the system of planning and Control will continue to exist after the World Bank Program.

4.4 STATE OF EDUCATIONAL DATA

The Government of Ghana has an elaborate accounting code system which consists of nine digits. The first 5 digits are taken by budget and cost centres whilst the accounts codes take the other 4 digits.

This is Illustrated as follows:

```
      123        45        6        789
       :         :         :         :
       :         :         :         :
     HEAD   SUB HEAD    ITEM    SUB-ITEM
```

The first three digits identify the Sector Ministry. For instance the MOE starts from 140 - 146. The first three digits are called HEADS. This takes care of all divisions within the MOE.

```
140  ----> MOE (Headquarters)
141  ----> GES (Headquarters)
142  ----> GES (Schools and Regional Services)
143  ----> GES (Special Services)
144  ----> NATIONAL ARCHIVES OF GHANA
145  ----> HIGHER EDUCATION
146  ----> CULTURE DIVISION (Until recently).
```

The fourth and fifth digits identify particular program (activities) within the various divisions. These are Coded as Sub-Heads.

For example, within GES (School and Regional Services; head 142) the following Sub-Heads exist.

```
01  -----> General Administration
02  -----> Primary Education
03  -----> JSS/Middle
04  -----> Secondary Education
05  -----> Teacher Education
06  -----> Management and Supervision
07  -----> Technical Education
08  -----> Vocational Education.
```

This is to be compared with Head 141 which has a long list of Head Office Divisions some of which have relevance to Primary Education:

```
01  -----> General Administration & Internal Audit
```


234X

02 -----> Manpower & Training Division
03 -----> Curriculum, Research & Development Division
04 -----> Inspectorate Division
05 -----> Budget Unit
06 -----> Secondary Education
07 -----> Technical/Vocational Education division
08 -----> Teacher Education Division
09 -----> Physical Education Division
10 -----> Ghana Education Service Secretariat
11 -----> Planning Unit
12 -----> Supply and Logistics Division
13 -----> Basic Education Division
14 -----> Cultural Studies Division
15 -----> Agric & Environmental Division
16 -----> Special Education Division
17 -----> Accra Technical Training Centre
18 -----> Kumasi Technical Institute

With the next set of digits, the first digit identifies particular expenditure items to the Sub-Heads. There are 6 items for recurrent expenditure:

Item 1 -----> Personal Emoluments
Item 2 -----> Travelling and Transport
Item 3 -- --> General Expenditures
Item 4 -----> Maintenance, Repairs and Renewals
Item 5 -----> Supplies and Stores.
Item 6 -----> Subvention

Items 7, 8 and 9 cover various types of capital expenditure whose operation is generally centralised between the MFEP and the CAG.

Within each item, there are sub-items and this is catered for by the seventh, eighth and ninth digits.

Thus, to identify Supplies and Stores items for Primary Education in the GES, for example, the following coding is used:

142	02	5	100
(Schools) & Regional Services)	Primary Education	Supplies & Stores	Sub items within supplies and stores

Hence 142-025-101 -----> School Textbooks
142-025-102 -----> Chemicals and Consumable for Schools and laboratories.

142-025-103 -----> Laboratory Instruments and Stores
142-025-104 -----> Other Teaching/Learning Materials

142-025 -105 -----> Sports and Recreational Material

142-025 -106 -----> Feeding.

The essence of this analysis is to demonstrate the extent to which it is theoretically possible to identify/ascertain data in respect of Primary Education. The crux of the problem however is that within item 5, for example, it is only 142-02-105 that is budgeted for within Primary Education Sub-Head in the MOE budget document. The rest of the sub-items within item - 5 appear to be embedded in the budget for Basic Education Program which falls under GES (Headquarters) 141 - 135 - 100.

The Basic Education Program covers Kindergarten, Primary Schools, Middle Schools and Junior Secondary Schools. The Division is charged with the responsibility for the bulk acquisition of teaching and learning materials for the first nine years of education.

Going by the build up of data that is required to follow the GOG Accounting Chart, it has become very difficult to determine readily, which portion of item 5 sub item 4, i.e 141-135-104 within the Basic Education Program belongs to the various educational levels. The issue of commingling of data comes about because there are different service units [PMU(HERP) PMU (EDSAC) and Basic Education Division of the MOE where supplies relating to textbooks and learning/teaching materials are initiated from. With the PMUs it possible with difficulty to get segregated expenditure data. However with the Basic Education Division, accounting records do not show separate analysis for Primary or other levels of Basic Education. Thus in the expenditure ledgers for Basic Education, entries are mixed up.

Furthermore, a reason for commingling of data has to do with control, hence the centralisation of certain budgets at the Head Office to take advantage of bulk purchases and supplies to educational levels.

The issue of commingling and disaggregation of Primary Education Data is dealt with under 4.4.1 below.

4.4.1 Disaggregation of Primary Education Data

If one looks at the management accounting structure of the MOE, one forms a ready impression that expenditure on Primary Education is clearly isolated, for there is a cost centre 142-02 specifically designated as such which collects expenditure on Primary Education. However that is not the whole picture for 2 reasons:

i) Some expenditure on Primary Education is reflected in the budget of other Divisions. Budgeting guidelines have not been consistent from year to year in so far as what a Unit/Program/Division may budget for when that Unit is preparing its annual estimates is concerned. Thus, for example, whereas Schools and Regions were budgeting for textbooks and other teaching materials in some years past, this practice has ceased since 1987 when that function has been undertaken by the Basic Education Division. Currently, therefore, what appears under the Supplies & Stores item in the Primary Education cost centre which would normally include expenditure on school textbooks is only sports and recreational materials.

This observation is not restricted to textbooks. Training that pertains to Primary School teachers is not to be found in the accounting head for training (General Expenditure) within the Primary School cost centre.

Some of the reasons for this are that the budget as published also indicates to a large extent the expenditure to be controlled by the Head of a Unit. Thus for example if the Supervising Unit of the Schools and Regions (to which Primary Education for example belongs) will not control the budget for textbooks for Primary Education, then the budget sum for textbooks for Primary Education will not be shown against Primary Education but rather against the Unit that will control it. By control here is meant the authority to initiate action and the spending of the money budgeted for the purpose. The only exception to this is expenditure on Item 1 - Personal Emoluments - which is centralised at the office of the CAG.

ii) The second reason is that even after identifying direct expenditures pertaining to Primary Education, there are a lot of related indirect expenditure. Apart from normal overheads expected from administration (in this case Gen. Admin. Head Office), Gen. Admin. (GES) and Central Admin. (Schools & Regions), the following divisions are identified to have direct expenditure bearings on primary education.:

A/cs Code	Division
141 - 03	Curriculum Research & Dev.
04	Inspectorate
09	Physical Education
10	GES Secretariat
12	Supply & Logistics
13	Basic
142 - 06	Management & Supervision

The bases for pro-rating expenditure to educational level would take various forms, ranging from office staffing levels through total children enrolment to teacher enrolment. The recommended simple method is to isolate the dominant cost item in each of the divisions and build the ratios around it; for example in the case of Curriculum Research & Development Division, using the number of staff assigned to writing materials for primary Schools as a base.

A more sophisticated way would be to work a composite ratio based on data on personal emoluments on the one hand and the other expenses on the other. This is because of the substantial contribution of personnel expenditure in the entire budget. This method is short of finding appropriate portions for each of the expense headings for all the relevant cost centres.

It may be noted in passing that there are yet other non-direct non-MOE expenditure on Education, in particular the employment of a large number of National Servicemen (similar to Peace Corps) assisting the MOE in various fields whose budget is outside the MOE. In a yet finer form, total Education budget may have to include this, plus the recurrent expenditure aspects of capital projects which by definition are included in the Public Investments Program (PIP) (Capital Budgets) and are not part of the normal Recurrent Budget.

What is said so far relates to GOG funding only. The full national expenditure on primary education will have to include what is expended by donors, notably the World Bank through the PMUs, an exercise that does not appear to be done presently.

The issue of disaggregation is not an impossible task although it is perceived to be time-consuming. It is however of statistical significance and must be developed not only for PREP purposes but for subsequent educational policy and planning. If it is constituted as a special assignment to the PMU implementing the PREP it can be undertaken annually. It will require a PMU designated officer, e.g. the Accountant, serving as a core person to coordinate with the Directors of Budgets and accounting officers in the MOE/GES to pick figures from GOG expenditure returns. The full co-operation of the MOE/GES staff will be

required, and appropriate incentives by way of generous over-time rates for the long hours involved will be necessary and sufficient. Depending on the level of co-operation, a three-man team could take between 3-5 weeks to assemble the data annually, given the necessary guidance on pro-rating.

Pro-rating Data

The World Bank has estimated a ratio of approximately 40% of Primary Education to total MOE based on 1988 expenditure figures. This has been done largely against a background of difficulty of obtaining reliable data. Until PREP, over the implementation period, establishes an improvement on this data, it is recommended that this ratio is applied to all bulk data where no other ratio is available. Thus the following guidelines are suggested at this time.

Division	**Basis**
Gen. Admin portion of Heads 140,141 and 142	Pro-rate at 40% to Primary
Curriculum Research & Dev.	Disaggregate emoluments and pro-rate balance at 40% to Primary.
Inspectorate	Pro-rate at 40% to Primary
Physical Education	Disaggregate supplies, pro-rate balance at 40% to Primary.
GES Secretariat	40%: of GES budget.
Supply & Logistics	Pro-rate at 50% to Primary
Basic	Isolate supplies for Primary and add 50% of balance
Management & Supervision	Pro-rate at 40% to Primary.

Expenditure on Teacher Training has been excluded on the grounds that it is a separate educational level, although it can rightly be argued that most expenditure on that level pertains to Primary School education.

These suggested guidelines are subject to modification in coordination with the MOE.

237

5. USAID/MOE RELATIONSHIP

5.1 External Funding Relationship

The diagram in Appendix B gives an overview of the relationship existing between the Government of Ghana (GOG) and external lenders and donors as far as the Ministry of Education is concerned. The GOG through the MFEP releases money for expenditures budgeted for by the MOE within the Govt's recurrent program. As is described elsewhere, this is done on periodic basis. If the expenditure is to be incurred in the districts, approvals are passed on in stages through the MOE headquarters down through the regional offices to the district offices. On the other hand if the expenditure involves purchase of supplies, this is centrally handled by the Supplies Divisions of the Ministry and the goods distributed to the districts.

Recording of financial data is handled by accounting officers attached to the MOE offices who in fact are appointees of the CAG. Invariably the reporting effectiveness is affected by the usual large Government machinery that grinds slowly.

So far, institutions that part-finance MOE budget do so through the Project Management Unit. The PMU in the diagram is symbolic of a specialized unit that acts as an expediting machinery for the implementation of loan/grant programs. Thus, for example, there is at the moment an EdSAC PMU that handles World Bank Credit as well as OPEC and Norwegian Funds, and there is another PMU that handles Health & Education Rehabilitation Project.

An aspect of the diagram that was not readily apparent to us was Step No.7: Consolidation of all expenditure within the MOE i.e both locally and externally funded. This obviously appeared not being done either at the MOE or the MFEP.

USAID has been included in Diagram 1 (Appendix B) amongst other donors/lenders as the most likely place to occupy in its relationship with the MOE. Whether a new PMU would be set up or the existing one will be used is discussed in Section 9 under Recommendations.

5.2 Co-Financing The Educational Budget Capacity to Absorb, Budget & Account

The experience of the EdSAC PMU will be a useful source to draw upon in the implementation of the PREP. As is recommended elsewhere, an expanded PMU with schedule

officers for PREP functions: budgeting and accounting, procurement, and programs (training) working in close collaboration with the existing staff of the PMU will eliminate or minimise the usual initial start-up difficulties which tend to affect the ability to carry out programs that are budgeted for the year as was the case of the EdSAC PMU.

A program of activities and their costs will be prepared at the beginning of each year and agreed between the MOE/PMU and the USAID. Such agreement will constitute broad authorisation for the year's program to be undertaken. In the case of purchase of goods, tenders will be invited and orders placed.

Government procedures requiring the use of the Central Tender Board at the MFEP will be used.

With respect to Training, the Program officer (PMU) will prepare a budget in consultation with MOE officials who will guide the officer in terms of which periods of the year training is feasible. It may be noted in passing that premises of schools and colleges are what is usually used for in-service training of teachers as well as trainers' courses, and this will have to be reflected in the training plan in the sense that such premises are available only during school holiday periods. To give an idea of costs, a training program being undertaken in batches and currently under way (17 April - 7 May 1990) by the EdSAC PMU for Primary School Teachers and Heads is estimated to cost C150m (slightly less than $500,000).

Since it is anticipated to make a one-time release of tranche money from USAID to MOE, it is anticipated, that some of the delays associated with implementing World Bank programs will be avoided. The World Bank normally releases funds only in bits on a kind of imprest system which is replenished when exhausted, and also actually undertakes the disbursement of funds in certain procurement cases directly from Washington. Thus dollars approved are not available for use until requested for on one-to-one item basis. The exercise of these pre-disbursement controls given the documentation and communication involved do have a bearing on the speed of processing applications for disbursements. This is not to mention the fact that there are post-disbursement controls, including monitoring and audit.

A separate bank account for PREP funds and the keeping of a separate set of ledgers will very clearly and at corresponding short intervals provide information on the flow of USAID funds and the end to which they are put. Such an end will not be so easily achieved if PREP funds are made

directly available to the MOE though its payment system; in fact it will be practically impossible given the style of accounting and reporting currently employed in the MOE proper.

How Will USAID funds not Supplant GOG Expenditure ?

The surest way to achieve this objective is to have budgets drawn at the beginning of each year, separated into USAID vs GOG. With the keeping of separate books of account different from the GOG's as is being recommended, it should be possible not long after the year-end to compare expenditures incurred by each unit against the respective budgets and draw conclusions. The expression "not long after the year-end" is used because whereas details of the USAID will be available fairly early, one may not expect GOG expenditure figures before the end of June of the ensuing year. Thus by the end of July, data from all sources should be ready. Such data, subjected to independent audit verification, will provide evidence of how the two bodies are doing relative to the total educational budget for Primary Education and also relative to their individual targets.

6. FLOW OF USAID FUNDS

Appendix C gives a diagrammatic description of how USAID funds will flow.

i) A separate bank account to be designated MOE PREP Account at a commercial bank shall be opened with signatory arrangements satisfactory to the MFEP and USAID. Such signatories will include officials of both MOE and MFEP and will have various authorising levels.

ii) After annual CPs have been certified as having been met, the USAID Mission to Ghana shall request USAID (USA) to release the tranche sum to a designated overseas account of Bank of Ghana.

iii) The Bank of Ghana shall on receipt of advice from its overseas corresponding bank cause to be transferred into MOE PREP account cedi equivalents of dollars purchased at the weekly foreign exchange auctions market. MOE PMU will note the cedi amounts and monitor the dollar equivalents till the amounts total the tranche sum paid over.

iv) In the meantime, funds will be drawn from this MOE PREP account in accordance with approved program objectives and records kept of their use of the funds by the MOE/PMU. A satisfactory accounting of funds to this stage is acceptable to USAID.

Where Government policy requires an element of cost recovery for textbooks and school materials, it is recommended that such recovery exercise is done through what is currently being operated by the EdSAC PMU for such monies to be re-cycled eventually into Primary/Basic Education. It may be noted that the relative size of such recovery is currently insignificant, compared to the total grant/loans.

Besides the setting up of another set of bank accounts at the districts is not recommended as it would firstly mean duplication of EdSAC work and secondly the attendant accounting demands would far exceed the capability of the districts and would thus not be cost effective.

243

7. DRAFT FINANCIAL AUDIT SCOPE OF WORK

The objects of a financial audit would be to form an opinion at the end of the audit exercise that an implementing agency had complied with regulations and requirements associated with the credit; that any set of accounts prepared and disseminated are in accordance with accounting records and books; that such accounts show a true and fair view of activities and state of affairs, and also that in fact proper books of accounts have been kept. To this end certain verification procedures will need to be followed and the following gives a scope towards achieving this. Furthermore, the financial audit presumes that a set of accounts will have been prepared by personnel responsible for the generation of the records and that the audit is to express an independent opinion on these accounts.

The accounts to be prepared must reflect program objectives. Such objectives include a requirement that USAID funds are additive to and do not supplant GOG expenditure. Therefore among other things the accounting responsibilities will extend to include the ascertainment of GOG expenditure on Primary Education and various required percentages computed e.g % of Primary Education to Total Education Expenditure, and % of School Books and materials to Total Primary Education Expenditure.

7.1 Balance Sheet Audit

1.1 Agree balances of set of accounts with books of account

1.2 Obtain independent confirmation of account balances, notably

bank balances
supplies in transit balances
debtor balances, if any

and verify their existence. To this end, vouch to ensure that the assets were properly acquired and entered into the account books.

With respect to any Work In Progress, check figures in the accounts with independent valuations.

7.2 Receipts & Expenditure Audit

.1 Verify the existence of a separate bank account solely for USAID PREP funds.

.2 Request confirmation from Bank of Ghana that tranche sum released was received by them and note details including date; note and follow up any discrepancy.

.3 Check amounts transferred by Bank of Ghana into MOE PREP special account and verify conversion rates and

244

dates; sum up transfers to ensure that the total agrees with amounts released to BOG.

.4 Vouch disbursement of funds from PREP bank account to ensure that all such payments were properly authorised, that proper procedures were followed, and that they are supported by requisite payment vouchers and other attachments.

.5 Check recording of details in bank book and other ledgers to ensure that correct entries are made in the books. The accounting structure and details of breakdown should conform to what is approved in the final document agreed between USAID and GOG.

.6 Verify documentation to ensure that goods ordered were in fact received and were redistributed; that there is evidence of receipt;

similarly vouch documentation to ensure that in the case of services, there is evidence of the rendering of the service.

.7 Do physical verification of Project assets and check that asset registers are written up and well documented for ease of identification.

.8 Document all vouching and verification.

.9 Verify supplementary accounting information in respect of GOG expenditure on Primary Education and check calculation of ratios. Test-check aggregation of data and examine bases for objectivity. Trace figures to their sources and vouch authenticity.

.10 Check to see whether internal controls to safeguard the cash and other assets of the program are adequate. In particular, examine the treatment and custody of value books including cheque books. Ensure bank reconciliations are regularly done, and also that there is proper segregation of the functions of authorisation, the incurring of expenditure, the custody of asset and the keeping of accounting data.

7.3 Audit Report

Issue an exception report to address issues that are both wrongly treated or improperly handled,making appropriate recommendations to avoid their recurrence.

345

In the case of serious financial misdemeanour, alert the authorities immediately for quick redress.

7.4 Satisfying CPs to Disbursements

The audit terms of reference will be widened to assess whether conditions precedent to disbursements have been complied with. The following chart based on the Illustrative CPs in the PAIP Document is considered a useful guide.

	In the case of	Requirement
.1	Signatures/ Account Numbers	That the Accountant-General has authorised the opening of a MOE/PREP separate bank account at a Commercial Bank; that such a letter conveys signatories of officials of both MFEP and MOE under authority from PNDC Secretary for MFEP.
.2	Program Management Unit	That proper appointment procedures are followed and that the most suitable candidate is selected out of 2 or 3 probable candidates.
.3	Disaggregation of MOE Primary Education budget and expenditure data	That prior to Tranche 1, MOE submits a plan to disaggregate data on Primary Education. Such a plan should be assessed on the basis that it addresses the following issues: (a) a recognition of the presence of relevant expenditure in several divisions (b) detailed plan to isolate PE expenditure not included in Head 142-02 eg. supplies in Basic Education Division (c) Proposed ratios of apportioning expenditure on other divisions that service Primary Education

246

		(d) the need for a separate Task Force to undertake such an exercise annually. In relation to Years 2 to 5, actual data should be ready for USAID by the last week in July of the year following that to which the data relates.
.4	PE budgets stabilized and consistent with budget	The MOE/PMU to obtain Primary Education data as outlined above (see Section 4.4.1) and compute ratios as required in the financial Management Forms. Such data will be independently audited. Where ratios fall short of agreed/budgeted levels, discussions will be initiated by MOE with USAID officials for necessary action.
.5	PE teaching materials increased	Teaching materials will be distinguished from sports and recreational materials or any other materials in the Supplies & Stores item of expenditure. Similar to .4 above, ratios will be calculated and checked. In the case of year 2 where a policy for increasing the percentage of school materials is required, this will be evidenced by an official circular to all MOE officials and enshrined in subsequent years' budget guidelines.
.6	Primary School Teacher Training	Monitoring & Evaluation Unit of PMU to confirm that AID-approved GOG - adopted primary school teacher training program is operational; such confirmation is to be documented for examination.

247

		The compilation of training data for primary school teachers by the Research Unit of PMU will establish the percentage which will have received training by Yr 5 to ascertain whether or not it meets the 90% requirement.
.7	MOE Delegation of Authority	AID to see copy of MOE policy; Monitoring & Evaluation to confirm implementation.
.8	Student Achievement Testing	Press coverage of policy of introducing P6 standardised tests; Subsequent annual check to see that it is implemented.
.9	Equity Improvement Program	USAID to see copy of policy on the issue; accounting record-keeping to be designed to collect records to support field observations that will be made by Monitoring & Evaluation Team.

248X

8. PREP FINANCIAL MANAGEMENT

Prep Financial Management Documentation is summarised under headings of

- budgets
- disbursements
- accounting personnel
- procurement
- documents
- reporting and monitoring, and
- audit.

Budget:

Detailed Budgets shall be prepared annually by the MOE under the following main headings:

- Books and Supplies
- Management and Supervision
- Equity Improvement Programme
- Training
- Program Management Unit
- Studies and Technical Assistance

Each item in the budget should have detailed description and justification, and be agreed with USAID/MFEP.

Disbursements

The disbursement process will be greatly facilitated by establishing authorization limits for drawing the funds from USAID in the US and utilizing the cedis from auctioned dollars.

All payments shall be evidenced by Cheque payment Vouchers and supporting documents (e.g Invoices, Bills, Contract documents) attached.

Bank Accounts:

As is covered elsewhere, a separate bank account shall be established by **MFEP** for the operation of the PREP program and shall have signatories as shall be attested by MFEP/CAG.

Books of Accounts

A cash book shall be kept for the bank account. It shall be elaborately analysed to distinguish between the various categories of expenditure.

At the end of every month the cash book shall be balanced and reconciled to bank statement.

There shall be a **petty cash book** to cater for day to day transactions of the outfit administering the PREP (the PMU).

The cash book shall be complemented by a **nominal ledger** into which there shall be separate/individual folios for each expenditure. This will facilitate the build up of data for each transaction category and permit retrieval of information for timely preparation of periodic reports.

Accounting Personnel:

USAID shall consider the use of qualified and experienced MOE accounting personnel or a firm of accountants as is the case within EDSAC/PMU at the moment to handle the book-keeping aspect of PREP. The accountant should be competent enough to live up to the tight reporting schedule of the program.

Procurement:

All purchases shall be budgeted for, and procurement shall follow the competitive bidding system. All local tenders shall be the subject for determination of a competent Procurement Committee within the MOE. Similarly, international competitive bidding system shall be used for large size orders.

Local tender shall entail obtaining proforma invoices from at least three (3) suppliers. Supplier selection criteria shall be set by the Procurement Committee. Disbursements shall accord with the payment terms within the individual contract.

All disbursements shall be evidenced by a PV and attached to all documentary evidence (such as invoices LPOs). The validity of a PV shall be evidenced by the authorised signatories.

Reporting and Monitoring

Reporting will be done in both US$ and Ghanaian cedis; therefore it is advisable for the account books to be kept in dual currency to facilitate preparation of reports.

MOE shall submit quarterly and annual Returns to USAID and MFEP, listing all expenses under the various expenditure categories. The quarterly performance will follow the pattern in Appendix D1 showing annual budgeted amount as against actuals to date. Variances isolated should have comments/remarks which should collaborate with field report.

Annual Reports shall be prepared at the end of every year showing Total Budget, total expenditure for the year, total expended to date, and the unspent balance with a column provided for comments

250

(Appendix D2). The format on Appendix D3 shall also be used for annual reports.

As part of PMU responsibilities, data will have to be obtained from GOG on GOG's spending on Primary Education in general and on books and materials specifically.

Ratios of GOG's contribution will then be computed as is shown on Appendix D5.

Audit

There shall be an independent audit as part of the financial management system, the full scope of which is covered under Section 7.

251

9. RECOMMENDATIONS

We have examined the objects of the PREP within USAID normal reporting requirements and do make the following recommendations:

9.1 Implementing Unit (MOE)

One option is to use the MOE financial system to operate the PREP. However, an assessment of that system does not permit us to recommend it in view of the fact that reporting lines are choked. Financial data flow is very slow, and its accuracy cannot always be guaranteed.

9.2 Separate PMUs

A second option is to set up a PMU within the MOE specifically for PREP with a Deputy Secretary (MOE) as Program Coordinator. He will be assisted by four Project Officers namely:-

- Disbursement
- Procurement
- Logistics
- Programs

who in turn will be assisted by Assistant Project Officers. A firm of accountants will be appointed to take responsibility for recording and extraction of financial data for both MOE and USAID use. The advantages associated with a separate PMU are:

(a) All record keeping and report preparation will relate to the PREP.

(b) There will be no mingling up of data and personnel will not confuse different fundings.

The major disadvantage is that it would appear to be duplicating functions of the existing PMU within the same ministry, especially as regards the items to be financed.

9.3 EDSAC/PMU

The third and the recommended option is to use the present EDSAC/PMU in an expanded form. A major reason for this is to build on the expertise and experience acquired in managing the World Bank credit. This way, the learning period for new staff is minimised or eliminated altogether.

X

252

There are a couple of provisos, however

(a) that a separate accountant is appointed to handle vouchers and books that are distinguished from any others to permit easy differentiation of accounting records.

Such an accountant (or firm of accountants as is the case with EdSAC PMU) will among his regular schedule of duties be enjoined to keep the objectives of PREP in focus and thus employ himself to obtaining GOG expenditure figures for financial analysis required as part of PREP Financial Management. He shall also set up an accounting coding system not to dissimilar from the GOG's to permit easy collation of data.

Such an accountant will be assisted by 2 clerks, one in charge of book-keeping and the other in charge of management accounting (reports). The latter will also prepare PVs for signature and assembling data for Letters of Credit etc.

(b) that a Program Officer responsible for PREP activities be appointed. In addition to helping to budget for materials and services, he will have functional responsibility for organising training, which is another substantial component of the PREP.

In terms of other resources required, the following recommendations are made:

i)	Space	The new PREP staff will require about 4 offices. And an additional 3 offices appear to be needed by the existing PMU if the present level of efficiency is not to be impaired. If such space is unavailable in the Ministries, a relocation may have to be considered.
ii)	Furnishing & Equipment	Tables and chairs to go with the staff, plus filing cabinets, calculating machines. The Research Dept. appears presently under-equipped, and an additional micro computer seems a necessity.

253

10. CONCLUSION

The financial management capabilities of the Ministry of Education (MOE) to administer a USAID grant for Primary Education within its mainstream accounting system has been assessed.

Our findings about the state of accounting data, some of the personnel in the Ministry and timeliness of reportage show that the regular MOE may not be able to be readily help to achieve the objectives of PREP.

We are of the opinion that the USAID PREP should be administered by an expanded PMU within the MOE to track and account for the use of USAID funds, and that such PMU be also enabled to serve as a catalyst in disaggregating GOG's financial data on budgeting and expenditures on primary education. Such data will be required as vital input to assess the progression of Government's performance over the years and also to show the relativity between GOG funding and USAID funding, especially in the case of school materials.

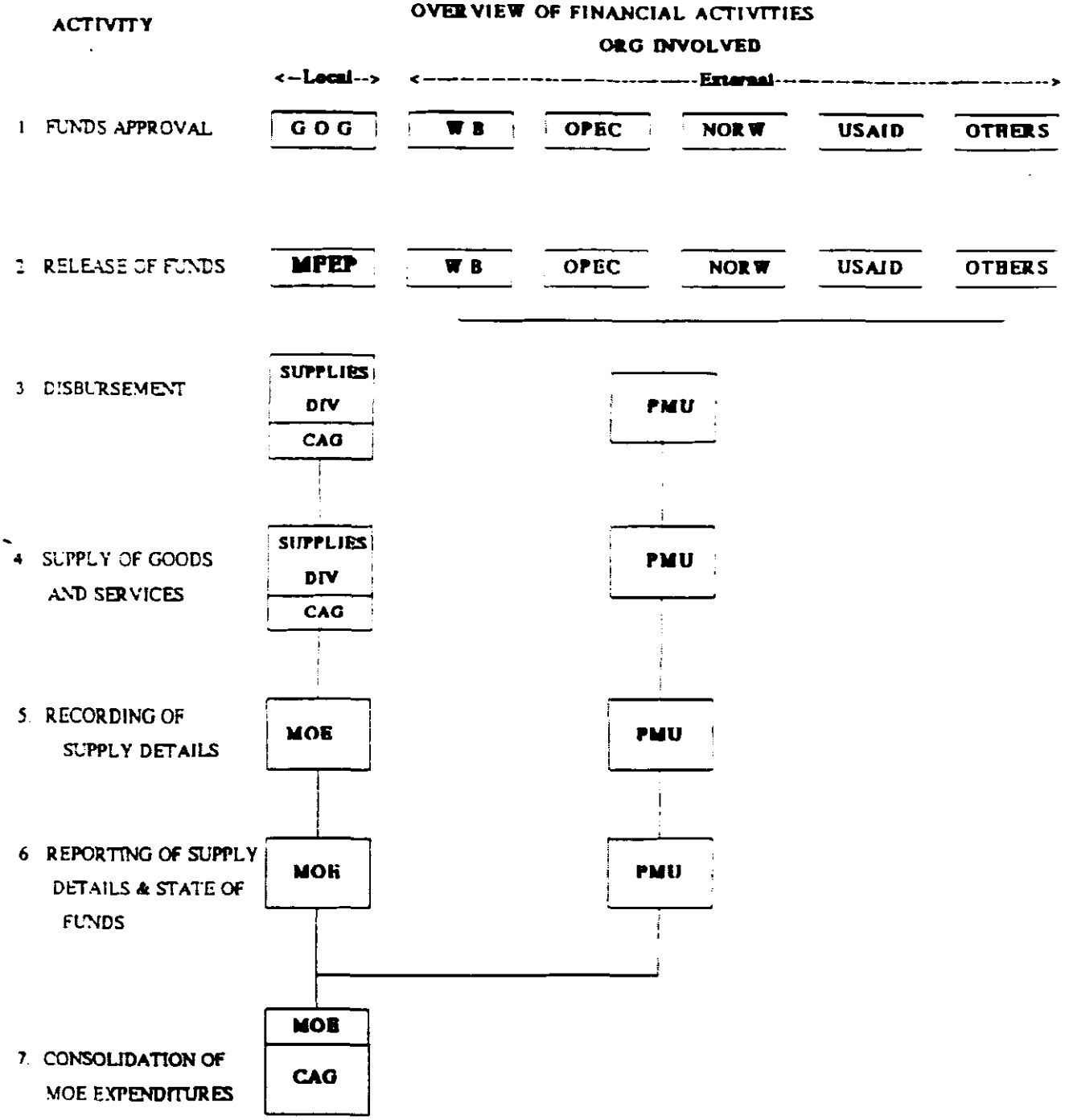
254

APPENDIX A

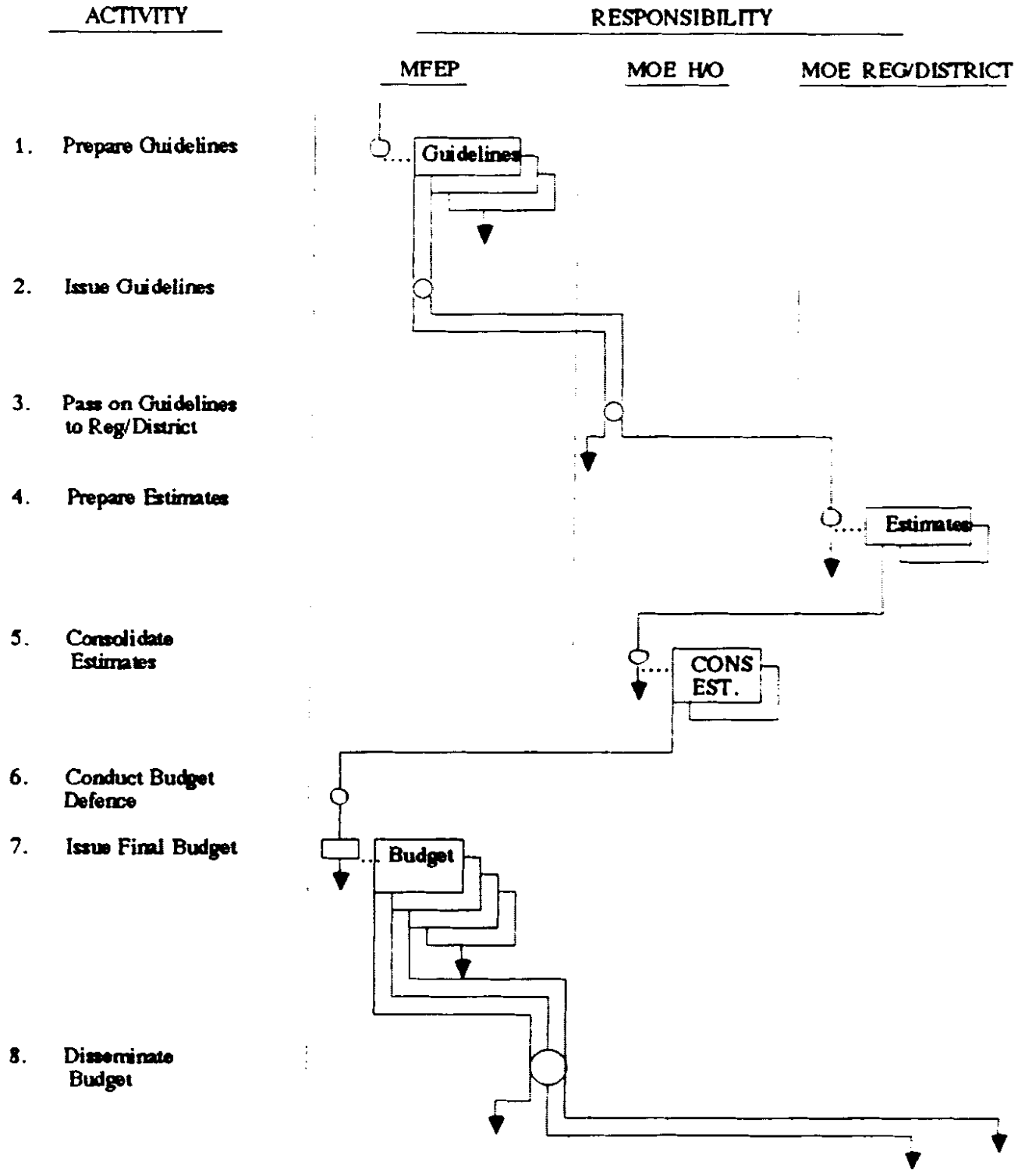
SCOPE OF WORK
GHANA PRIMARY EDUCATION PROGRAM
PRE-PAAD FINANCIAL MANAGEMENT ASSESSMENT

UNDER SEPERATE COVER

OVERVIEW OF FINANCIAL ACTIVITIES



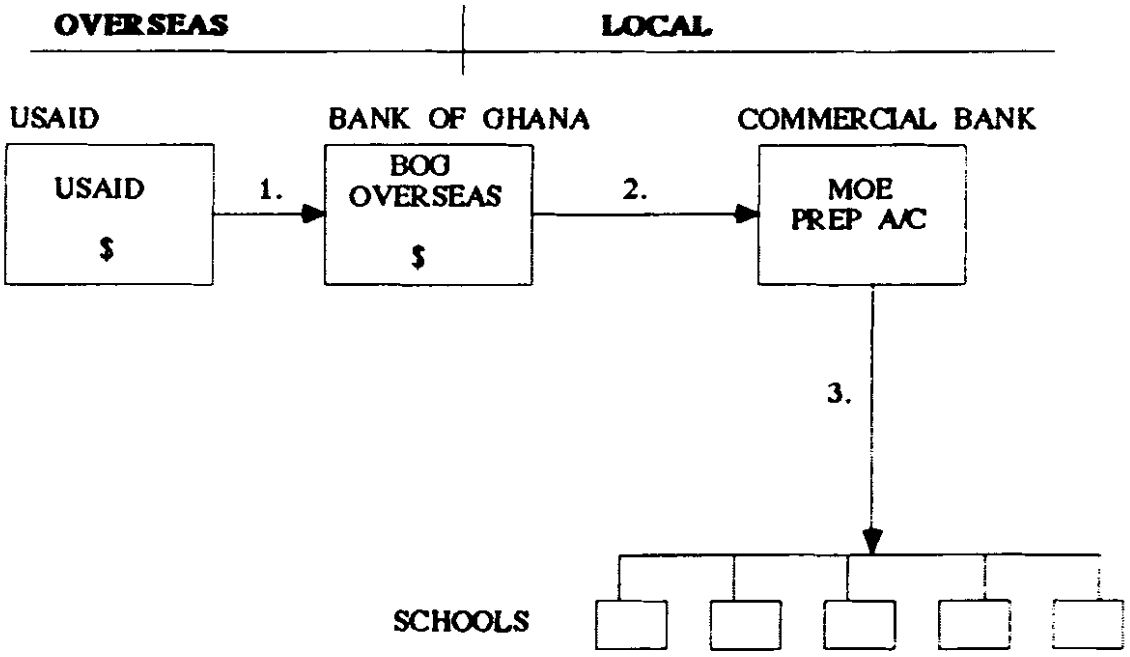
GOG BUDGET PROCESS



GOG PAYMENT PROCESS

ACTIVITY	RESPONSIBILITY		
	MFEP	Treasury	MOE Accountant
1.1 Issue FE	FE		
1.2 District Treasury receives FE			
1.3 District Accountant receives FE			
2.1 Raise LPO			LPO
2.2 Prepare PV with copy of LPO			PV
2.3 Send for Pre-audit			
2.4 Effect Payment			
2.5 Return copy to Accounts			
2.6 Record in Vote Register (Ledgers)			

TRACKING SYSTEM FOR PREP FUNDS



KEY

1. USAID transfers dollars to BOG overseas account.
2. BOG makes cedi equivalent available to MOE.
3. MOE disburses the money for goods & services in accordance with approved periodic PREP budget.

APPENDIX D1

TABLE 1

MINISTRY OF EDUCATION-PREP

Quarterly Performance Sheet For Quarter Ending ..... 19 ...

Item No.	Desc iption of Expenditure	Budget for Yr.	This Quarter	Last Quarter	Cum. For Yr.	% Achieved
1.	Books & Supplies					
2.	Management and Supervision					
3.	Equity Improvement Program					
4.	Training					
5.	Studies & TA					
6.	Project Management Unit					
	Total					

	Prepared By	Approved By
NAME		
SIGNATURE		
DATE		

APPENDIX D2

TABLE 2

MINISTRY OF EDUCATION-PREP

Performance Summary For the Year Ended ..... 19 ...

Item No.	Description Of Expenditure	Total Budget	Expended for Yr.	Unexpended Balance	Comments
1.	Books & Supplies				
2.	Management & Supervision				
3.	Equity Improvement Program				
4.	Training				
5.	Studies & TA				
6.	Project Management Unit				
	Total				

	Prepared By	Approved By
NAME		
SIGNATURE		
DATE		

APPENDIX D3

TABLE 3

MINISTRY OF EDUCATION-PREP

Financial Status Report as at ..... 19 ....

	Expenditure Description	(1) Budget	(2) Cum. Commitment	(3) Uncommitted Bal. (1)-(2)	(4) Cum. Disbursements	(5) Outstanding Commitments (2)-(4)	(6) Undisbursed Funds (1)-(4)
1.	Books & Supplies						
2.	Management & Supervision						
3.	Equity Improvement Program						
4.	Training						
5.	Studies & TA						
6.	Project Management Unit						
	Total						

	Prepared By	Approved By
NAME		
SIGNATURE		
DATE		

APPENDIX D4

TABLE 4

MINISTRY OF EDUCATION-PREP

Balance Sheet As At ..... 19 ....

ASSETS

	Notes	..19..	..19...
FUNDS AVAILABLE	(1)		
SUPPLIES IN TRANSIT	(2)		
BANK	(3)		

REPRESENTING EQUITY

APPROVED FUND	(4)		
LESS: CUMMULATIVE EXPENDITURE	(5)		

APPENDIX D5

TABLE 5

MOE-PREP
SUPPLEMENTARY ACCOUNTING INFORMATION

FOR THE YEAR ENDED.....19...

		GOG (A)	PREP (B)	Others (C)	Total (D)
1.	Books & Materials	-------	------	------	------
2.	Total Primary Education	------	------	------	------
3.	Total Education Expenditure	------	------	------	------

RATIOS:

1. GOG contribution to Books & Materials (from Recurrent Budget) $\frac{1A}{2A}$

2. GOG contribution to Books & Materials (considering total national budget) $\frac{1A}{2D}$

3. GOG expenditure on Primary Education $\frac{2A}{3A}$

4. GOG Contribution of Prim. Educ. to Total National Expenditure on Education $\frac{2A}{3D}$

APPENDIX E

CONSULTANT'S TEAM

The team which undertook this study was made up of Messrs.

R.B. Perbi, BSc Admin. FCCA, and
F.S.K. Abgeve BSc Admin.

SUMMARY OF EXPENDITURE BY PROGRAMMES AND OBJECTS, 1989.

Head	Sub Head	Programmes	Total Recurrent Expenditure	Personal Emoluments	Travelling And Transport	General Expenditure	Maintenance Repairs And Renewals	Supplies And Stores	Subvention
140		MINISTRY OF EDUCATION AND CULTURE	1,817,210,000	22,755,000	32,926,000	40,643,000	15,732,000	49,645,000	1,655,509,000
	01	General Administration	1,706,616,000	8,397,000	14,858,000	18,915,000	8,937,000	-	1,655,509,000
	02	Bureau of Ghana Languages	72,139,000	14,358,000	6,153,000	10,081,000	1,831,000	39,716,000	
	03	Non-Formal Education	38,455,000	-	11,915,000	11,647,000	4,964,000	9,929,000	
141		GHANA EDUCATION SERVICE (HEADQUARTERS SERVICES)	5,157,950,000	483,427,000	65,000,000	220,230,000	226,600,000	4,162,693,000	
	01	General Administration Welfare and Internal Audit	2,075,860,000	27,870,000	2,840,000	100,000,000	125,000,000	1,820,150,000	
	02	Manpower and Training Division	27,074,000	25,394,000	1,480,000	-	-	200,000	
	03	Curriculum, Research and Development Division	26,453,000	17,253,000	2,540,000	260,000	-	6,400,000	
	04	Inspectorate Division	25,665,000	13,285,000	7,680,000	2,300,000	-	2,400,000	
	05	Budget Unit	1,580,605,000	222,925,000	19,680,000	20,000,000	90,000,000	1,228,000,000	
	06	Secondary Education Division	22,448,000	20,368,000	1,480,000	-	-	600,000	
	07	Technical/Vocational Education Division	211,674,000	17,434,000	3,240,000	1,000,000	-	190,000,000	
	08	Teacher Education Division	15,333,000	10,173,000	4,760,000	-	-	400,000	
	09	Physical Education Service	33,623,000	4,553,000	1,070,000	-	-	28,000,000	
	10	Ghana Education Service Secretariat	10,999,000	8,406,000	1,780 000	70,000	-	743,000	
	11	Planning Unit	9,918,000	8,238,000	1,480,000	-	-	200,000	
	12	Supplies and Logistics Division	250,122,000	15,627,00	850,000	73,000,000	-	160,600,000	
	13	Basic Education Division	690,354,000	5,494,000	1,760,000	-	-	683,100,000	
	14	Cultural Studies Division	12,337,000	2,837,000	1,500,000	-	-	8,000,000	

MINISTRY OF EDUCATION AND CULTURE

SUMMARY OF RECURRENT EXPENDITURE BY PROGRAMMES AND OBJECTS - 1990

HEAD	SUB HEAD	PROGRAMMES	TOTAL CURRENT EXPENDITURE	PERSONAL EMOLUMENTS	TRAVELLING & TRANSPORT EXPENDITURE	GENERAL EXPENDITURE	MAINTENANCE REPAIRS & RENEWALS	OTHER CURRENT EXPENDITURE	SUBVENTION
140		MINISTRY OF EDUCATION AND CULTURE	3,358,032,000	24,703,000	29,199,000	157,184,000	85,922,000	148,695,000	2,913,329,000
	01	General Administration	3,172,554,000	9,871,000	10,500,000	78,000,000	78,000,000	82,854,000	2,913,329,000
	02	Bureau of Ghana Languages	90,478,000	14,832,000	6,199,000	8,684,000	2,422,000	58,341,000	-
	03	Non-Formal Education	95,000,000	0	12,500,000	70,500,000	6,500,000	5,500,000	-
141		GHANA EDUCATION SERVICE (HEADQUARTERS SERVICES)	5,503,567,000	238,657,000	96,781,000	388,100,000	297,219,000	4,082,800,000	
	01	General Administration	851,973,000	25,802,000	9,000,000	150,000,000	177,171,000	500,000,000	-
	02	Manpower and Training Division	19,882,000	18,682,000	1,000,000	0	0	200,000	-
	03	Curriculum,Research and Development Division	118,008,000	15,100,000	2,600,000	300,000	0	100,000,000	-
	04	Inspectorate Division	40,740,000	9,740,000	11,000,000	16,000,000	-	4,000,000	-
	05	Budget Unit	1,423,198,000	16,017,000	46,481,000	24,000,000	108,000,000	1,228,700,000	-
	06	Secondary Education Division	614,864,000	14,214,000	650,000	-	-	600,000,000	-
	07	Technical/Vocational Education Unit	724,321,000	15,821,000	3,500,000	5,000,000	-	700,000,000	-
	08	Teacher Education Division	110,570,000	9,270,000	800,000	500,000	-	100,000,000	-
	09	Physical Education Division	104,313,000	3,313,000	1,000,000	-	-	100,000,000	-
	10	Council Secretariat	11,801,000	6,553,000	1,000,000	200,000	48,000	4,000,000	-
	11	Planning Unit	8,443,000	7,443,000	1,000,000	-	-	-	-
	12	Supplies & Logistics Division	185,439,000	12,339,000	3,000,000	170,000,000	-	100,000	-
	13	Basic Education Division	1,318,811,000	4,211,000	3,000,000	-	-	1,311,600,000	-
	14	Cultural Studies Division	44,315,000	3,515,000	800,000	-	-	40,000,000	-
	15	Agricultural Environmental Studies Division	83,441,000	2,491,000	950,000	-	-	80,000,000	-
	16	Special Education Division	89,794,000	8,194,000	1,000,000	600,000	-	80,000,000	-
	17	Accra Technical Training Centre	54,376,000	25,876,000	4,000,000	5,500,000	3,000,000	16,000,000	-
	18	Kumasi Technical Institute	89,278,000	40,278,000	6,000,000	16,000,000	9,000,000	18,000,000	-
142		GHANA EDUCATION SERVICE (SCHOOLS AND REGIONAL SERVICES)	38,387,381,799	34,234,900,000	895,201,799	630,000,000	222,997,000	404,203,000	
	01	General Administration	3,114,667,000	2,716,667,000	180,000,000	184,000,000	24,000,000	10,000,000	-
	02	Primary Education	15,650,150,000	15,451,150,000	110,000,000	65,000,000	8,000,000	16,000,000	-
	03	Junior Secondary/Middle Education	9,554,669,000	9,258,669,000	124,000,000	60,000,000	90,000,000	20,000,000	-
	04	Secondary Education	5,551,965,000	4,776,275,000	300,000,000	200,000,000	75,000,000	200,688,000	-
	05	Teacher Education	1,681,050,000	1,491,538,000	100,000,000	40,000,000	11,997,000	37,515,000	-
	06	Management & Supervision	276,252,000	233,252,000	18,000,000	20,000,000	5,000,000	-	-
	07	Technical Education	1,200,313,000	1,113,313,000	22,000,000	21,000,000	4,000,000	40,000,000	-
	08	Vocational Education	1,358,317,799	1,194,116,000	39,201,799	40,000,000	5,000,000	80,000,000	-
143		GHANA EDUCATION SERVICE (SPECIAL SERVICES)	803,298,000	639,298,000	50,000,000	59,700,000	11,000,000	43,300,000	
	01	Specialist Teacher Training Institutes	620,168,000	508,768,000	28,000,000	43,000,000	9,400,000	31,000,000	
	02	[illegible] of the Handicapped	183,130,000	130,530,000	22,000,000	16,700,000	1,600,000	12,300,000	
145		[illegible] EDUCATION DIVISION	5,698,489,000						5,698,489,000
	01	General Administration	5,698,489,000						5,698,489,000
146		COMMISSION ON NATIONAL CULTURE	818,740,000	21,670,000	19,300,000	43,300,000	62,500,000	277,970,000	394,000,000
	01	General Administration	772,070,000	-	14,900,000	35,400,000	60,200,000	267,570,000	394,000,000
	02	National Achives	46,670,000	21,670,000	4,400,000	7,900,000	2,300,000	10,400,000	
		TOTAL MINISTRY OF EDUCATION AND CULTURE	54,969,507,799	37,159,518,000	1,090,481,799	1,278,284,000	680,638,000	5,754,768,000	9,005,818,000
		FINAL APPROVED TOTAL (¢ billions)	53.353	36.153	1.091	1.278	0.680	5.455	8.693

Annex H

Social Analysis

ANNEX H

SOCIAL ANALYSIS

1.0 INTRODUCTION

Ghana's primary education system is currently not able to meet one of its key policy mandates, i.e., to provide basic education to all eligible Ghanaian children. A first priority for the primary education system would be to teach children already in school the core skills contained in its national curriculum and to provide all school-age children with the opportunity to attend school.

Educational opportunities for primary education are unequally distributed. The most visible consequences are: low primary completion rates, an unacceptably high rate of dropouts (especially in some parts of the country) and low pupil achievement. Educational resources are unevenly distributed between geographic areas, between schools, among and within Districts, between social and ethnic groups, and between and among the sexes. About 30 percent of eligible school age children are not at school (this estimate varies widely between geographical areas).

In general, the geographical inequalities are greater than those of gender. Enrollment ratios in the southern half of the country are double those in the northern half, where both boys and girls are underrepresented. However, some persistent disparities between the sexes do exist. Lower enrollment and retention rates for girls are the most consistent pattern among indicators (see Table 1), especially in the three regions of the North, Upper East, and Upper West. With the exception of these regions, female enrollment as percent of total enrollment is estimated at 45 percent. This compares favorably to other West African countries.

Cultural and social considerations vary widely among and within regions, but need to be taken into account in designing education policies and planning service delivery strategies. One needs, for example, to consider the various reasons that affect the education of girls and boys differently. These include both the costs and the benefits of educating children.

The GOG has currently insufficient resources and knowledge about the social dynamics of inequities to pursue its educational objectives and design the most appropriate policy interventions. Educating a limited number of pupils in a country with a growing school-age population and a large number of children still out of school is not consistent with GOG sectoral policies. Hence, progress toward primary education for all eligible children only seems possible if available resources are allocated to inputs that are most cost-effective as well as equitable. Given some serious inequities in segments of the population, targeting becomes a key issue. The Equity Improvement Program(EIP) program, a free standing component of the Primary Education Program(PREP) will provide

guidance and a strategy toward accomplishing the goal of primary education for all with long-term policy implications for promoting equity in educational opportunity.

The premise of PREP is that with the additional inputs of materials, teacher training, incentives, decentralization, and improved management the quality, equity and efficiency of primary education will improve significantly. The EIP has two major objectives: 1) to provide special resources to a subset of those Ghanaians now most underrepresented in the primary education system; and 2) serve as an instrument for the formulation of an equity improvement policy by testing pilot activities designed to improve equity in specific target areas.

To this end the EIP program will consist of the inclusion of social analysis in regular planning, monitoring, and evaluation activities carried out by MOE and local Districts, as well as specific equity improvement interventions in target districts. This approach will provide the conceptual and financial means for a system-wide equity policy statement by the end of PREP.

The EIP program aims specifically to improve the equitability of primary education in the needy areas by 1) targeting key districts and 2) providing the resources to test pilot equity improvement activities to help alleviate identified constraints, including: 1) lack of qualified teachers in underrepresented areas; 2) insufficient parent and community involvement in the education of children; and 3) lack of quality evaluation and monitoring capacities in the public primary education sector.

Finally, the EIP establishes a structural and conceptual framework which will contribute to research initiatives in the education community in Ghana. The primary education sector is rich in human resources, expertise, and educational experience that have yet to be adequately documented. For example, the EIP provides an opportunity, by means of participatory research, for an open dialogue about policy and planning issues between the GOG and some of the beneficiaries of the program.

2.0 SOCIAL ANALYSIS OF PREP

2.1 GHANA: OVERVIEW OF BASIC EDUCATION IN THE SOCIAL CONTEXT

In 1988/89 total school enrollment was approximately 2,361,610. It comprised 1,598,443 pupils at primary level, 608,690 at junior secondary/middle level and 154,477 at senior secondary level. The proportion of girls' enrollment at primary level was 44.5 percent, junior secondary/middle level, 41.3 percent and 32.6 percent at senior secondary level. There were 105,782 teachers in the school system. Out of these, 62,670 were in Primary schools, 34,548 in Junior Secondary/Middle schools and 8,528 in Senior Secondary schools. The share of untrained teachers was 43.6 percent (female) and 52.3 percent (male) at primary level (see Table 3), 28.16 percent at junior secondary/middle level and 29.85 percent at senior secondary level.

270

2.2 ECONOMIC CRISIS AND EDUCATION

It is said that Ghana's education system by the mid-1960's was among the most advanced in Africa with as high an enrollment rate as 75 percent for the 6 to 14 year old group. However, a considerable proportion of public finance for education went to the middle and upper-income families by the mere fact that secondary schools and not primary schools profited most from public resource allocations. By the late 1960's expenditure and participation rate of school-age children began to fall. More than 50 percent of teachers in basic education had to be replaced with untrained teachers due to reduced budgetary allocations.

In adequate financial resources have contributed to a lack of texbooks and other materials, as well as to unsuitable and inadequate structures for schools. Pre- and in-service training courses for teachers are inadequate (see Table 2) and there are no attractive conditions of service for teachers, in particular in rural areas. Finally, it appears that this situation has led to the falling standards in education and a loss of faith in the educational system especially in the rural areas.

Recognition of the high cost, length and inefficiency of the formal school system set the stage for the reforms that were eventually introduced. Since September, 1987, the GOG has embarked upon a new educational reform program to improve both access to and the quality of education as a whole. So far, this reform program has been aiming at reallocating resources within the education sector and increasing the efficiency with which the resources available are used throughout the system.

2.3 TARGETED POPULATION GROUPS

2.3.1 Socio-cultural Context.

There are about 90 ethnic groups in the country. They can be grouped under two main linguistic groups, the Kwa and the Gur groups. The Kwa speaking people are mainly found in the southern region, the Gur group in the northern part of the country. The various ethnic groups share cultural and social characteristics: a deep-seated belief in the worship of ancestors; respect for the elders and for chiefship; emphasis on rituals and on the beauty of speech; and great importance attached to group life and to kinship commitment. Traditional African beliefs and practices still play a major role in the lives of Ghanaians. The population is about 45% animist, 43% Christian, and 12% Muslim: Many traditional religious practices are inseparable from the life and culture of Ghanaians, however, and are retained regardless of formal religious affiliation. In the North, Islam plays an important role in people's life and has negative effect on the demand for secular education.

About 69% of Ghana's estimated 14 million people live in rural and outlying areas of the country. The proportion of rural populations in the Upper West is as high as 89.0 percent, Upper East as 87.0 percent, and Volta as 79.5 percent. The majority of Ghana's population, and an even greater majority of its rural population, are poor. Not surprisingly

there is a strong correlation between poverty and lack of education in Ghana. This in turn correlates with low school attendance for the children of poor households. Over 50 percent of villages are without schools. Educational and health facilities are highly concentrated in urban centers. The population distribution is also highly dispersed making viability of schooling within most localities difficult. There are as many as 46,150 communities with average population of 39 persons per settlement.

2.3.2 Local Communities and Cultural Resources.

Historically, the most influential local body vis-a-vis the school has been the chief and the chief's council. In many communities local church groups are active in the schools, particularly primary schools. In addition to these local structures the PNDC has established Committees for the Defense of the Revolution (CDR's). These are composed of elected people from the community, who often take a particular interest in the running of schools usually as members of District Implementation Committees on School Reforms. In order to provide more focused community involvement in schools the Government is actively encouraging the establishment of School Management Committees.

However, the primary school system has as yet been unable to mobilize the cultural and social resources of the majority of the population for educational development. In part this is due to the confusing situation which arises from the fact that traditional values and norms operate strongly in some aspects of the daily life of Ghanaians without being consciously nurtured and evolved into the current national value system of which the primary education system is an integral part. It is clear that a participatory study of traditional systems and values and their potential influence on the formal education system and national development process would be highly beneficial. For example, such study might provide a useful synthesis of traditional and modern educational values and a more solid ground for educational development. Currently, the Curriculum Enrichment Program (CEP) pursues similar study, but there is much room for improvement.

2.4 CHARACTERISTICS OF SCHOOL-AGE CHILDREN

Children between the ages of 5-14 constitute about 28.0 percent of the entire Ghanaian population. A breakdown of Ghana's population by age group and sex is shown in the following table.

Population by Age and Sex 1985

Age	Male	Female	Total	
0-4	1,110,149	1,290,671	2,400,823	19%
5 - 14	1,602,016	1,865,747	3,467,763	28%
15-44	2,314,535	2,752,571	5,067,109	40%
45+	713,413	912,751	1,632,164	13%
Total	5,746,113 (46%)	6,821,746 (54%)	12,567,859	(100%)

Source: Census Office, Statistical Service, 1988.

At home, in rural and urban households, children assist parents in domestic tasks and in farming and fishing activities. These activities are part of the training and other socialization efforts in the process of their growing up. Child labor exists both in rural and urban areas in Ghana. Child labor is defined to mean an engagement of children who are under 15 years of age in-income generating activities other than the usual light domestic and agricultural work.

This situation is surely among the many reasons why children drop out of school. The drop out rates in the primary level are generally high. On the average about 5 percent of boys and 8 percent of girls drop out annually(Table 3). Some studies suggest that children drop out of school mainly for financial reasons. Other reasons according to common belief stem from the school and the home conditions. However, there are no pertinent nor definitive studies in determining how far these various activities are detrimental to child development and learning achievement, to access to and persistence in school.

2.4.2 Female Education

Although over 60 percent of females in the age group 9-14 years attend school, only an estimated 10.4 percent are able to read and write. On the national average about 8.0 percent of girls drop out annually. These drop-out rates, however, vary from one geographic area to the other (see Tables 1 and 3). Accra has the lowest rate of 3.5 percent

---

Note. According to recent GLSS data, the sex distribution of the population is at 48.7 percent males and 51.3 percent females. This gives a sex ratio of 95 males to every 100 females, which is consistent with the 1984 census results where females outnumbered males. A similar pattern is seen to hold for the total population as well as age groups above 19 years in the rural and other urban localities. In Accra, the sex ratio is 101 males per 100 females. In Accra, the 0-4 age group males (7.8 percent) outnumber females (5.8 percent). The figures suddenly reverse at the 5-9 age group with females (7.9 percent) higher than males (7.1 percent). A similar pattern is observed for the other urban areas. This irregular pattern in Accra may possibly be due to the effect of migration.

273

for girls (2.8 percent for boys) and the Northern Region the highest, 19.9 percent for girls (11.6 percent for boys). There are growing rural-urban and geographical disparities in female literacy. The proportion of those aged 6 years and above who never attended schools is as high as 89.5 percent in the Northern Region as against 31.1 percent in Accra.

Between the ages of 6-15 the economic and social returns of girls to the family are highly valued, in particular in rural and depressed areas. Some parents are therefore tempted to let their girls drop out of school or never send them to school. In order to increase female enrollment at the primary level the Ghana Education Service and Social Welfare Department are making a concerted effort to set up nurseries throughout the country to limit the time girls spend at home taking care of their siblings.

Another social constraint to girl's education has to do with culture and the attitudes formed by Ghanaians with regard to gender differences from early childhood socializing experiences. Common belief suggests that it is precisely because of these experiences that parents tend to differentiate between boys and girls in accepting social roles and responsibilities. In the past (and even now) this has led to the problem of restricting the education of girls to female specific social and occupation roles. To some extent the education system has contributed to negative societal attitudes towards diversified training and employment of females. This situation has been recognized and MOE has made efforts to design curricula which will sustain the interests of both boys and girls.

In general, however, there are no targeted efforts on the part of MOE to seek ways to encourage and to increase the proportion of girls entering and completing school and gender is not really considered an issue, given the overall detrimental situation of the primary education system. The GOG pursues a broad policy of increasing intake into primary schools with special emphasis being placed on expanding access in the northern half of the country and other areas where access has been found to be persistently low.

2.5 ACCESS AND EQUITY

In Ghana, the provision of basic education is recognized as the joint responsibility of both the community and central government, and there is much reliance on the efforts made by communities to provide basic infrastructure for schools. It is also expected that district educational committees, church and voluntary organizations as well as private individuals will play vital roles in support of basic education. Communities are expected to participate in the development of education in their respective communities through the provision of land for building schools, construction and furnishings of schools.

Despite large expenditures on the national budget (recurrent expenditure going to primary schools increased from 40 to 42 percent, 1987/88) and increases in enrollments during the past two decades, the GOG has yet to achieve its stated goal of universal access to primary education. The national policy on Basic Education stipulates that all children from the age of 6 should receive 9 years of formal education as a matter of right. However, about 30 percent of the population are not at school. They don't or are not able to take advantage of their right. This percentage is higher among segments of the rural, female and the poor population. The reasons are many.

Overall, the lack of educational opportunity may be as much a commentary on the inadequacies of the schools as the lack of cooperation of all parents to participate in the reversal of this situation. The key is to find out the reasons in order to propose solutions. For example, what benefits and costs do parents see in formal schooling of their children? Can they afford the opportunity costs involved? Why are enrollment rates in the southern half of the country double those in the northern half, where both boys and girls are underrepresented? Such studies should be included in the equity improvement activities.

The most pervasive social constraints to primary education are poverty and illiteracy. In some rural areas parents cannot afford uniforms or the minimal fees required for primary schools. Associated with poverty is illiteracy. Most Ghanaian parents in the rural areas are illiterate. GLSS data show that the literacy rate varies with the level of urbanization. The number of individuals who can write is highest for Accra (63.3 percent) and lowest for the rural areas (less than 20 percent). These ratios are lower for females than for males. Consequently, children's learning is often not reinforced at home. There may not be a perceived value to schooling, in particular for girls. GLSS data suggest that the poorest 10 percent of the population are only two-thirds as likely as Ghanaians in general to be sending their children aged 6 to 10 or 11 to 15 years to school, and even the poorest 30 percent have only about 85 percent of the chance of an average Ghanaian of being in school at those ages.

Other social and economic constraints can be added to the list: Many children have to walk three to four miles daily to school; low involvement of parents and the community in schools; customary practices (early betrothal for girls) and religion can act as severe constraints on secular education; preference given to the Islamic school system which is still entrenched in the North; conflicting school and agricultural calendars, especially in the North; general isolation from new ideas and knowledge about the outside world and one's own rights.

Related to the general economic conditions in the country, in many districts primary school facilities are poor and basic sanitation is missing. Textbooks and equipment may be lacking all of which contributes to low morale of pupils and teachers.

185 X

2.6 PRIMARY ENROLLMENT

The primary gross enrollment rate is about 69.0 percent for the whole country. The difference between gross and net enrollment (65 percent) indicates that a number of children enrolled at the primary level are over-aged due to late enrollments or repetitions. The majority (95 percent) of students currently enrolled in primary schools attend public educational institutions. (Table 4 shows summary by selected regions of primary enrollment indicators.)

Total enrollment (grade 1-6) in 1988/89 was estimated at 69.0 percent. This figure varies, however, from 49.4 percent (Upper West Region) to 33.5 percent (Upper East Region), to 49.5 percent (North Region), to 77.5 percent (Greater Accra Region). In addition problems of access remain, resulting in inadequate coverage, particularly for girls in certain parts of the country.

Grade one enrollment as percent of six year olds of total enrollment is estimated at 69.1 percent. This figure varies from 52.5 percent to 46.2 percent, to 56.5 percent, to 56.2 percent for the same regions as above respectively.

Approximately 60 percent (with some exceptions) of those who enroll in primary school complete the entire cycle. The percentage of students who successfully complete primary school is estimated at 59.0 percent (national mean). The regional mean varies from 33.9 percent, to 34.9 percent, 59.0 percent, and 82.0 percent respectively in the regions mentioned above. On average, repetition rates are low, due to an automatic promotion policy from grade 1- 6.

The enrollment of females in school as percent of total enrollment has increased in the 1980's and is estimated at 44.5 percent. The disparity between the proportion of boys and girls in school in some regions varies tremendously, e.g., from 39.1 percent girls and 60.9 percent boys in the Upper West to 32.8 percent girls and 67.2 boys in the Northern Region.

Girls tend to enroll in school less and drop out from school faster than boys, in particular in certain regions, where the female retention rate (P6 as percent of P1) varies anywhere from 30.4 percent (Upper West) to 29.4 percent (Upper East), to 53.7 percent (North) and to 48.9 (Greater Accra). Within these regions there is even greater variation. For instance, in the Upper East we find 29.0 percent (Sandema District) in contrast to 22.0 percent (Bongo District). In the North the female retention rate is as low as 9.0 percent (Zabzugu-Tatale District) and 9.0 percent (Tolon- Kumbungu District). It should be mentioned, however, that the retention rate for boys in some of these regions is also relatively low compared to the national mean (see Table 1).

276

2.7 SOCIAL FEASIBILITY OF THE PRIMARY EDUCATION PROGRAM

The major conclusion of this analysis is that the social feasibility of PREP, that is, the receptivity of proposed participants to the activities and approaches proposed, their motivation and ability to take part, appears promising. There is a common consensus among the education community that only an improved and equitable primary education system will accomplish the goals of the ongoing school reform in Ghana.

However, given the issues raised in the foregoing sections, this is predicated upon 1) identifying contributing factors to the current inequity situation; 2) planning and designing appropriate corrective interventions; 3) institutionalizing lessons learned about equity improvement with a system-wide equity improvement policy. Each of these provisions is an integral part of PREP.

Access and equity in education are interrelated. In an ideal situation full access means that all children have an equal opportunity to avail their right to a basic education. The social and economic factors inhibiting access and equity require long-term solutions, that can also be tackled by interim measures.

Ensuring access to education services, particularly among the lowest income groups, is critical both for equity and for the long term improvements in productivity and incomes upon which the development of the country depends. Insight into the impact of structural adjustment on access to primary education is needed to help MOE identify where targeting of resources might be required to ensure that the program meets the needs of certain sub-groups of the population. Providing incentives under economic hardship are especially important when households may be tempted to keep children from school, particularly girls.

Sometimes, incentives are not easy to target without additional measures. In the context of PREP incentives will be one of the major policy areas to help all aspects of the primary system. To choose the appropriate incentives, however, is another matter. Simply expanding enrollment by automatic promotion or free education is not an effective strategy where the family's demand for girls' education is low. The lesson from experience is that for schools to be fully utilized, the demand for education has to come from the families. Expansion policies must be accompanied by policies that lower costs and raise benefits for families, and/or that educate families about the potential benefits of education.

In summary, the feasibility of attaining PREP equity improvement objectives will require that, at a minimum, the following steps be taken:

1. Development of an adequate data collection and analysis system, including a social and gender variable, will be essential to planning and designing the most appropriate and practical corrective interventions. This in turn assumes the availability of an analytical capacity to conduct social analysis of cultural and socioeconomic factors that contribute to inequity.

2. A 50 percent increase in gross enrollment rates and a 25 percent increase in retention rates for both boys and girls in target areas requires, after identification of contributing factors to inequities, implementation of alternative strategies for equalizing opportunities. Since girls in certain areas may be unintended losers with respect to the nature of planned impacts of PREP, targeting girls in certain segments of the population is therefore a key issue.

3. Finally, sustainability past the end of PREP requires the commitment of national and local governments to continue focusing resources on disadvantaged groups of the population. In the long term, therefore, institutionalization of the Equity Improvement Program leading to a system-wide policy statement is essential.

3.0 EQUITY IMPROVEMENT PROGRAM (EIP)

3.1 INTRODUCTION

Progress toward primary education for all eligible children only seems possible if available resources are allocated to inputs that are most cost-effective as well as equitable. The EIP will directly reach portions of approximately 30 percent of districts in rural and urban areas. The likelihood that specific equity improvement activities introduced by the program will have a wider effect on the system, and that the findings introduced will be adopted by schools not directly supported by the program, is suggested by the improvement of regular planning, monitoring and evaluation activities and the inclusion of qualitative social analysis. Moreover, it is likely that the results of equity improvement interventions as well as special studies will be disseminated by the media and other relevant public channels in order to raise the demand for education. Currently, the media (radio, TV, and newspapers) play an important promotional role in the advancement of formal and nonformal education in Ghana.

3.2 REVIEW OF PRIMARY SCHOOL INEQUITIES IN GHANA

Educational opportunities for primary education are unequally distributed. They are unevenly distributed between geographic areas, between schools among and within Districts, between social and ethnic groups, and between and among the sexes. The most consistent pattern of some indicators with others is the lower enrollment and retention rate for girls compared to boys (see Table 1).

Thus, even though education is the area where boys and girls have made progress, the picture is not an entirely positive one. There are obvious trends towards equalization. For example, the percentage of girls of total enrollment in close to 70 percent of districts is approximately 45 percent. In the Greater Accra Region girls represent 48.9 percent of total enrollment. But the majority of those not in school are girls, rural children, and children of the poor.

There is not enough evidence at the moment, however, to understand the social dynamics for such statistics. It is therefore important to untangle the direction of causation in what is clearly an interactive process of cultural, socio-economic, and pedagogical determinants of school age children's access to and achievement in primary education. A social perspective is therefore needed in the development and implementation of data collection instruments and other appropriate research tools in order to formulate a system- wide primary education policy promoting equal opportunity for all children.

3.3 DATA GATHERING AND ANALYSIS: THE SOCIAL AND GENDER VARIABLE

Disaggregated basic statistical data of primary schools, pupils and teachers is to some degree currently available in primary sources at the MOE (PMU and Planning, Budgeting, Monitoring and Evaluation Division). However, these data remain to be analyzed in a systematic fashion; nor are they disaggregated sufficiently and adequately to serve as a useful and insightful basis for policy formulation and effective implementation.

The EIP has therefore two major objectives: (1) to provide needed educational resources to those Ghanaians now most underrepresented in the primary education system; (2) to complement data collection instruments currently used with appropriate research tools in order to monitor EIP pilot activities and thus serve as an instrument for the formulation of an equity improvement policy. This will involve developing the software and training programs necessary, as well as pertinent site visits for local staff and technical assistance personnel.

Given the immediacy of the need to improve primary education in Ghana, the policy implications presented are justified even when derived from a priori assumptions about the potential impacts of the program. Over the longer term, however, it will be critical to encourage the analysis of disaggregated data on a variety of aspects of disparities and equity concerns in education that overly aggregated data do not permit. An example would be the availability and analysis of retention rates by age, grade, and gender of the primary school age population in order to gain insight into who goes to school and what is needed to teach and keep both boys and girls in school. Technically speaking, this would involve a time series that follows an original P1 cohort through to P6.

One of the major contributions of the EIP program, other than guiding MOE to plan and implement the equity improvement activities, will be the development as well as social analysis of such data sets in order to form a basis for fine tuning the policy interventions currently being used, and exploring alternative, and perhaps more effective, policies. This may involve modifications planned for existing programs to address gender considerations, where needed.

279

In the short term, such analysis will contribute to MOE's ability to plan equity improvement activities in Districts that are effective both for addressing immediate needs and for promoting the long term benefits of MOE primary education policies for boys and girls.

3.4 EQUITY IMPROVEMENT PROGRAM STRATEGY

The EIP program designed to improve system equity will target both gender and geographical inequities, based on available data and additional information to be collected. The strategy to redress equity imbalances is two-pronged. First, it will contribute indirectly to system equity through improvements in education quality throughout Ghana based on improved data gathering and analysis. Second, it will contribute directly to equity by leveraging GOG implementation of specific equity improvement activities, involving targeted interventions in some of Ghana's most needy districts.

The EIP program aims specifically to improve the equity of primary education in needy areas by 1) targeting key districts and 2) providing the necessary resources to test pilot equity improvement activities.

3.5 OVERALL APPROACH

Of the total EIP budget of US$ 4.0 million in local currency equivalent funded through PREP, 75% shall be expended on equity improvement activities in districts that fall within the lowest quartile or 25% of all Ghanaian districts, as ranked by the following indicators:

(1) District Level Indicators (DLI). Quantitative data of (a) (total) ratio between 1989 regional enrollment as percent of total enrollment and 1984 population as percent of total enrollment (see EIP - Table 5); (b) total retention P2, P3, P4, etc. as % of P1 as percent of P1 by district (see EIP - Table 1); and (c) gender disaggregated data as percentage of girls of total enrollment by district (see EIP - Table 1).

(2) School/Community Indicators (SCI). Selection criteria might include the following variables, as the data becomes available, in order to determine if a basis for equity improvement exists: (a) school infrastructure; (b) access road; (c) number of schools, school consolidation; (d) level of teacher qualification; (e) gender disparity in school; (f) potential for community participation; (g) alternative school organization and incentive systems currently under consideration.

Specific interventions (activities and studies) to be undertaken in the target districts will be identified by MOE in the EIP Plan. The other 25% of the EIP money may be used for equity improvement-related activities selected at the discretion of MOE with USAID approval. The MOE will also identify specific interventions to be undertaken with these funds.

Social analysis will be designed to: (1) identify social constraints to school-age children's educational opportunity; (2) track progress in meeting access and performance targets, especially people-level impact; and (3) strengthen the institutional and policy framework from which significantly improved primary education quality, access and equity will evolve in the mid and long term.

3.6 CRITERIA FOR CHOICE OF SCHOOLS

Selection of districts and schools is a critical element in EIP planning and requires that careful account be taken of the proposed indicators, which for lack of recent census and disaggregate data appear to be the best possible criteria for determining need. It is understood that these options must be developed as more relevant data and information becomes available.

For direct concern of the EIP are schools that fall largely inside the established criteria and where the basis for an equity and quality improvement exists. The exact criteria of eligibility and conditions of participation remain to be determined and will be defined before September 1991 by MOE. But the following points should be carefully taken into consideration by AID:

(1) Preference should be given to schools serving rural depressed communities; the breakdown will aproximate the relative proportions of the population in these areas (see Table 5) as well as the level of enrollment and retention rates.

(2) Participating schools must demonstrate serious educative intent and be willing to adopt improved pedagogical methods ensuring, for example, sufficient mastery of both the local and English language.

(3) Support should be equally contingent upon school practices that tend toward equal treatment of pupils and that are concerned to achieve better coverage of the school age population in the respective geographical area.

(4) The school location criterion is a particularly important one and involves taking account of the relative merits of concentration and dispersion of effort. For example, how the distribution of schooling relates to population distribution and to existing patterns of social and economic activity, and what would need to be done locally to ensure better coverage of the school age population.

(5) Resources would be furnished to participating schools on the basis of an agreement between MOE and the school in which the following conditions might be stipulated:

(a) the criteria suggested above; (b) the technical and material support to be provided to the school; (c) the means of internal monitoring and accountability; and (d) the tangible improvement in equity and in quality of instruction. Indicators by which these achievements will be measured include:

- access to educational opportunity for all eligible children has increased;

- admission and retention of boys and girls in P1 through P6 has improved;

- more trained teachers are assigned to target districts.

(6) Resources provided to each school will in most cases include both instructional support and financial assistance designed to help the schools improve quality and increase demand for primary education. Specific interventions will be identified by MOE in the EIP program.

The overall strategy of the EIP is to provide a critical set of inputs to participating schools, to be improved and refined over time, and that will contribute to improved quality and equity in primary eduation.

3.7 PROPOSED EQUITY IMPROVEMENT INTERVENTIONS

The proposed equity improvement activities are based on the foregoing analysis of equity issues in primary education. MOE will evaluate the need for particular studies.

1. Evaluating ways of attracting teachers to currently underrepresented areas.

2. Headmaster housing construction in targeted districts to ensure provision of basic needs, such as shelter. Provision of furniture and teaching materials for schools.

3. Curricula- and/or extracurricular activity-based components (e.g., improving teaching methods, multi-grade teaching, counseling) targeted at girls and/or boys to enhance learning achievement, to equalize the treatment of those in school, and consequently to increase the demand for education by changing perception and attitude that education is a worthwhile activity to pursue.

4. Extracurricular literacy activities targeted at out-of- school children, including street children, to increase access to and the demand for education.

5. Inclusion of a component, including media activities, for recognition of outstanding school and/or community achievement in increasing primary school enrollment and retention among girls and in underrepresented areas.

6. Surveys for exploring and evaluating ways to involve parents among traditional or very poor sectors of the population in the educational process of their children, especially girls.

7. Special studies on factors likely to inhibit and/or encourage equal access to primary education in order to identify socially acceptable and feasible strategies for equalizing opportunities. For example, benefits and costs parents see in formal schooling of their children; participatory study of traditional systems and values and their potential influence on the formal education system; and alternative school organizations.

8. Special studies on efficiency of primary education and its many dimensions. Child nutrition and health relate to efficiency. Malnutrition, hunger and related illness affect student performance. Identify the need and define strategy for meeting it. Evaluate school lunch programs.

9. Qualitative research on poverty and equity linked to the Ghana Living Standards Survey (1988) as well as PAMSCAD (Program of Action to Mitigate the Social Costs of Structural Adjustment) which do permit some further inferences about basic education and the poorest segments of Ghanaian society. Such disaggregated statistical data might hint at where the likely needs for basic services are greatest, including primary education.

10. A final suggested area for future policy related research is lessons learned as a result of EIP: Raising school quality in Ghana. What investments boost access, equity and learning achievement?

3.8 PLANNING EIP INTERVENTIONS IN PRIMARY EDUCATION

The questions listed below provide illustrations of the types of issues that social and gender analysis might deal with. They serve as guidelines for the collection and analysis of data needed to explore people level impact of primary education and to institutionalize inclusion of equity issues in primary education planning, implementation, monitoring, and evaluation.

They also provide guidelines for designing a strategy to identify equity improvement activities where needed and the specific changes in policy and resource availability which the program is intended to achieve. The strategy should be based on an understanding of the importance of the various constraints to access and equity in primary education. Such analysis examines, for example, the degree to which cultural aspects and socio-economic forces are at work in the milieu in which access and equity are to be improved to ensure that appropriate intervention strategies are identified.

3.8.1 Social Constraints in Primary Education

Primary School Staff and Administration. What values, attitudes, and practices presently exist at administrative or staff levels which are having negative effects on equitable distribution of access, relevance or efficiency of primary education?

283

Are teachers unwilling to be assigned to the more remote rural areas? Where do such teachers tend to live? How many days a week do they teach? What teaching methods do they use? Do they oppose curriculum changes?

Do teachers have adequate qualification and/or appropriate placement? Can they read, speak the local language?

Pupils. What duties or obligations interfere with school attendance? Do children need to work on the farm, take care of siblings? Are there differences in these obligations among pupils in different areas, by sex, by age group, by socio-economic levels? Do they encourage drop-out, seasonal absenteeism, or repetition?

To what extent does health/nutritional status or hunger become a factor in absenteeism or school performance? Whom does it affect?

Parents and the Community. What value do parents place on children's education? Does it differ for male and female children? Why? Does it differ by ethnic, social, religious or other characteristics?

What has been the tradition and experience in parent/community active participation in education? Does the community help in maintenance or construction of school buildings? Do parents participate in decision-making? What have been the main mechanisms used for such participation? Have they been effective?

3.9 IMPROVING EQUITY IN PRIMARY EDUCATION THROUGH EIP

Key issues to be addressed in designing specific interventions should be based on identification and assessment of needs. The plan should outline how MOE/PMU intends to monitor progress toward achieving program objectives. It should estimate potential impact and define targets and benchmarks for progress in meeting objectives. In turn the plan will serve Mission management and monitoring in reviewing GOG target allocations and current progress and future steps to enhance educational equity. Selection criteria might include the following School/Community Indicators:

(1) Identification of Beneficiaries

Will activity specifically address and attempt to equalize rural/urban schools, male/female students or other disparities in educational opportunity? Does the basis for an equity improvement effort exist? Indicate strategy and targets.

(2) Potential for Participation

Does the plan allow for teacher, parent or community participation in program decision-making, implementation or evaluation? Will the community be organized to cooperate in the education of their children? How?

(3) Organization and Operation of the Education System

How will educational resources (in the broad sense of the term) be adapted to the socio-cultural context and identified needs. How will regional, linguistic, socio-economic, and other differences be taken into account?

What incentives and social arrangements will be provided for appropriate utilization of educational resources? For instance, will rural teachers be provided with living quarters as an incentive to live where they work? Will a monitoring and evaluation system be built into the media system (and other) with rewards for best schools and teachers?

3.10 STAFF AND TRAINING REQUIREMENTS

Data collection and analysis is a function carried out by PMU, assisted by district and national service personnel who collect the data in the field. It is anticipated that Education Planners and Program Officers, in collaboration with the new Circuit Supervisors, teachers and community, will often be able to carry out much of what will be required in data collection. However, it will be important to strenghten the data and research unit in PMU, in order to plan and implement EIP activities. Moreover, it may be important to call in technical assistance (e.g. a specialist in educational sociology/anthropology), particularly when more in- depth research efforts must be designed, coordinated and implemented for the first time, or when dealing with education planning in complex situations. Examples may be primary education planning among traditional or very poor sectors of the population, or when such planning is interested in listening to the beneficiaries of program activities or in involving the parents and the community in the education process. Such surveys may be included in the Equity Improvement Activities.

Circuit Supervisors will have expanded responsibilities, combining administrative and pedagogical supervision. Such supervision will consist of an initial orientation, a comprehensive follow up, and regular visits to assigned schools. MOE redesignated the sub-district officer position as supervisor to reflect the new roles of supporting and training as well as the traditional role of monitoring performance. A reorganization program is aimed at providing in-service support and training for teachers through the Assistant Circuit Supervisors who will work at the school and at the circuit level. They also have the responsibility of ensuring high and appropriate performance on the part of headmasters and teachers.

Given the important role of supervisors in the implementation of the new evaluation and monitoring procedures, their training should involve a social analysis perspective to help them consider equity issues at the school and community level. It will be equally important, at the outset of the program, to conduct training to develop local education planners and specialists' skills in social and other qualitative analysis to be applied to their regular work.

3.11 CRITERIA FOR TRAINING

Training should consist of a focused technical as well as broadly based awareness training that includes information concerning social and gender issues in primary education planning, monitoring and evaluation. Such an approach not only involves an academic but also a practical focus on the social dynamics of education planning and monitoring, in order to design relevant and equitable strategies to deliver educational services.

Such an approach will be necessarily based on case study materials and other research data from pertinent field visits and experiences. Such illustrative case studies should be short so as to become more usable for training purposes. For example, social and gender issues might be discussed in a number of case studies to illustrate different sets of problems and needs that might ultimately lead to the identification of alternative solutions.

MOE and technical assistance staff should clearly delineate what type of social and economic information is needed and how such information can be collected in order to serve for training purposes on access, equity and efficiency issues in primary education.

3.12 STUDIES NEEDED

Other than the proposed special studies in the foregoing section (3.7), survey and qualitative research is needed at the outset of the program and may be linked to the ongoing Ghana Living Standards Survey (GLSS, 1988). This will provide information to respond to the criteria of the Equity Improvement Program and to design interventions to reach the poor and certain vulnerable groups.

MOE will evaluate the need for special studies, prepare the terms of reference for the proposed studies, as well as for the technical assistance that will be required to carry them out.

3.13 TECHNICAL ASSISTANCE

It is anticipated that short term technical assistance is required to participate in the design and implementation of the people level impact monitoring program. This will involve the inclusion of equity considerations, the social and gender variable, into regular data gathering and analysis.

Other local organizations may be able to provide some of the short- and long-term assistance required by the EIP (i.e., specific interventions proposed in section 3.7). Two of them are listed below:

276

(1) Local Institutions, such as the universities, or the Ghana National Commission on Children, an advocacy group that also promotes primary school enrollment through child literacy work, could be involved in the needs assessment and other data gathering among Ghana's poor and/or street children.

(2) Equally, professional staff from Ghana's National Council on Women and Development have the relevant experience and credentials and may be able to provide some of the short-term and long-term assistance required by the EIP research activities.

3.14 EQUITY IMPROVEMENT IMPLEMENTATION PLAN

3.14.1 MINISTRY OF EDUCATION

For the first year of PREP, the MOE/PMU will be responsible for preparing and finalizing the Equity Improvement Program with technical assistance form an American institutional contractor. A preliminary assessment of alternative interventions will be made during the first year. The institutional contractor will assist in this activity as well as institutionalizing the research design, data gathering and data analysis capacity within the PMU. It is anticipated that short-term technical assistance will be required to design a qualitative data gathering and analysis system as well as conduct short-term training of local staff to be involved in the planning and implementation of the EIP. The latter will also be the responsibility of selected districts and local schools. Implementation will be phased and the need for additional technical assistance during the life of PREP is anticipanted.

3.14.2 AID

Through the mechanism of conditions precedent to disbursement, USAID has a critical role to play in ensuring that an effecitive equity improvement policy and program is implemented. There are two conditions precedent related to the EPI: Prior to the disbursement of Tranche 2 in October 1991, an AID approved pilot equity improvement program will have been intitiated by MOE; and prior to Tranche 4 in October 1994, the Government of Ghana will be implementing an Equity Improvement Policy.

Since the specific programs that work to improve equity are not yet known, and indeed many of the causes of disparate particpation and retention rates have yet to be determined, it would be a mistake to try to prescribe specific remedies at this time. Rather, USAID will attempt to ensure that the GOG's approach to equity contains the most essential elements for a successuful program, i. e:

1. Criteria for selection of beneficiaries. To ensure that the areas/groups selected for particpation in the program are indeed the areas receiving the least amount of primary education, at least 75% of the $4 million earmarked for equity improvement will be expended in districts that fall within the lowest quartile or 25% of all Ghanaian districts as ranked by district level indicators and school/community indicators (see section 3.5).

257

2. Criteria for interventions. The EIP will have a range of equity improvement interventions. Certainly teacher and community incentives such as housing for headmasters, school rennovation and furnishing, will be attempted. However, USAID will require that the pilot EIP test a broad range of interventions such as those described in section 3.7 (eg. using media as in incentive, extra-curricular and community based programs; working with traditional organizations like the Islamic schools and traditional rulers and religious leaders like chiefs, Imams, and Chief's Council's; providing extra services like school lunches; promoting PTAs, etc.)

3. Criteria for research. A broad range of interventions will require a similiar range of research. Research will be expected to test hypothesis related to social, ethnic, religious, and economic constraints. Examples are given in scetion 3.7

3.14.3 Strategy for Implementation of the EIP

The EIP will be directed and implemented by the MOE through the Evaluation Unit of the PMU. It is both the GOG's and AID's intention to ensure the Ministry of Education and other Ghanaian institutions become the stakeholders in the Equity Improvement Program. The policy-related research and development functions described above will be assumed in stages as the PMU develops its staff and analytical capabilities. A second element of phasing will be provided by the staged adoption of specific EIP interventions as illustrated in Table 6.

3.15 EIP CONDITIONS PRECEDENT

1. Evidence that an AID-approved pilot program for system equity improvement is initiated by MOE (September 1991).

2. Evidence that an Equity Improvement Policy is being implemented by the MOE and pilot programs are in operation.

3.16 EIP MONITORING AND EVALUATION

The success of the EIP program will be measured by the degree to which it accomplishes the following purposes:

1. Enables school age boys and girls in underrepresented areas to participate in the primary school system.

2. Enables participating schools serving rural and depressed areas to improve quality of instruction and efficiency of administration.

3. Conducts targeted research and development activities in the priority areas for intervention aimed at discovering, implementing and disseminating strategies and methods to reduce educational disparities in primary schools.

4. Assists the Ministry of Education to develop effective structures and procedures for identifying and monitoring inequities in primary education and providing needed support services to districts that fall within the lowest quartile of all Ghanaian districts, particularly in the area of enrollment and retention.

Targeted Research and Development. The long-term objective of the social analysis and research activities is to help GOG develop, formulate and implement an equity improvement policy based on some of the findings and insights gained from the EIP. In the interim, however, the effectiveness of the research program will be evaluated by examining the following characteristics: 1) The number and quality of studies or evaluations of existing equity improvement activities that have been conducted and disseminated; 2) the various approaches and solutions to decrease inequities that have been identified, the process by which this has been accomplished and the degree to which participation of beneficiaries was encouraged; AND 3) the degree of adoption of these new approaches among targeted districts and elsewhere.

3.17 SUMMARY OF ISSUES RAISED AND RECOMMENDED EIP-PROGRAM

The EIP program has two major objectives: 1) to provide needed resources to a subset of those Ghanaians now most underrepresented in the primary education system; and 2) to serve as an instrument for the formulation of an equity improvement policy by testing pilot activities designed to improve equity in specific target areas. The EIP program aims specifically to improve the following problems: (1) low attendance and high attrition rates among pupils, especially girls; (2) lack of trained teachers in underrepresented areas; (3) insufficient parent and community involvement in the education of children; and (4) lack of quality evaluation and monitoring capacities in the public primary education sector.

Approach. The total EIP budget, will be focussed on specific schools or communities targeted and proposed by the School/Community Indicators (SCI) and/or other indicators developed by the MOE.

Specific interventions (activities and studies) will be undertaken in the target districts and identified by MOE in the EIP Plan. The other 25% of the EIP money may be used for equity improvement-related activities selected at the discretion of MOE with USAID approval. The MOE will also identify specific interventions to be undertaken with these funds.

Social analysis will be designed to: 1) identify social constraints to school-age children's educational opportunity; 2) track progress in meeting access and performance targets, especially people-level impact; and 3) strengthen the institutional and policy framework from which significantly improved primary education quality, access and equity will evolve in the mid- and long-term.

259

Timing. 1) EIP develops a strategy for collection and analysis of needed data to institutionalize inclusion of equity issues in primary education planning, implementation, monitoring, and evaluation (MOE/PMU/ Institutional Contractor) (1990-91); 2) EIP conducts training to develop local education planners and specialists' skills in and awareness of equity issues as appropriate. (Institutional Contractor (1990-91); 3) EIP plans and gradually implements equity improvement interventions (MOE-PMU) (1991-95); 4) AID/EIP establishes policy dialogue with GOG on equity issues (1992-93); and 5) GOG approves and implements a system-wide equity improvement policy (1993).

240

EIP - TABLE 1
BASELINE STATISTICS
1988/89

Source: MOE Planning, Budgeting, Monitoring and Evaluation Division, November, 1989

DISTRICTS ENROLLMENT	Male	Female	Total	Percentage of girls	P6 as % of P1 1/ Male	Female	Total
Ashanti							
Adansi	17,734	14,341	32,075	44.71	65.0	52.0	59.0
Ahafo Ano	10,896	8,643	19,539	44.23	62.0	46.0	55.0
Amansie	22,323	17,741	40,064	44.28	66.0	49.0	58.0
Konongo	13,013	11,528	24,541	46.97	67.0	55.0	61.0
Atwima	14,185	11,308	25,493	44.36	63.0	48.0	56.0
Ejisu	15,117	12,948	28,065	46.14	73.0	58.0	66.0
Kumasi	29,214	29,451	58,665	50.20	96.0	98.0	97.0
Kwabre/Sekyere	14,154	11,831	25,985	45.53	79.0	63.0	71.0
Offinso	10,009	8,205	18,301	44.83	68.0	57.0	63.0
Sekyere	15,332	13,253	28,585	46.36	70.0	61.0	66.0
Brong Ahafo							
Atebubu	9,157	6,232	15,389	40.50	48.0	35.0	42.0
Bechem	4,207	3,823	8,030	47.61	69.0	57.0	63.0
Berekum	6,156	5,711	11,867	48.13	74.0	59.0	66.0
Dormaa	9,755	9,036	18,791	48.09	70.0	63.0	67.0
Duayaw Nkwanta	2,582	2,111	4,693	44.98	87.0	71.0	80.0
Goaso	17,407	13,926	31,333	44.45	73.0	61.0	67.0
Jaman	8,047	6,791	14,838	45.77	68.0	50.0	61.0
Kintampo	6,202	4,362	10,564	41.29	58.0	42.0	51.0
Nkroaza	5,409	4,672	10,081	46.34	65.0	56.0	61.0
Sunyani	11,040	9,872	20,912	47.21	80.0	72.0	76.0
Techiman	8,533	7,536	16,069	46.90	64.0	61.0	63.0
Wenchi	8,730	6,842	15,572	43.94	59.9	50.0	55.0
Central Region							
Abura Dunkwa	5,217	3,990	9,207	43.34	63.0	45.0	55.0
Agona Swedru	9,695	7,945	17,640	45.04	74.0	57.0	66.0
Ajumako	6,694	5,496	12,190	45.09	75.0	55.0	65.0
Apam	10,093	8,930	19,023	46.94	70.0	53.0	62.0

**1. This percentage is often used as a proxi indicator of retention. The underlying assumption is that the same number of supply remains stable. In certain areas the supply may have increased as a result of housing or migration patterns, or measures introduced by the reform, in which case the indicator of retention is inaccurate.

An accurate indicator of retention would require a time series that follows an original P1 cohort through to P6. */

291X

DISTRICTS ENROLLMENT	Male	Female	Total	Percentage of girls	P6 as % of P1 1/ Male	Female	Total
Central Region (contd)							
Assin Fosu	13,698	10,934	24,632	44.39	73.0	51.0	62.0
Breman Asikuma	6,103	4,926	11,029	44.66	76.0	58.0	68.0
Cape Coast	6,892	6,128	13,020	47.07	70.0	78.0	73.0
Dunkwa-Offin	9,528	7,827	17,355	45.10	65.0	45.0	55.0
Elmina	5,976	4,876	10,852	44.93	66.0	56.0	61.0
Saltpond	9,101	7,105	16,206	43.84	60.0	48.0	54.0
Twifo Praso	8,753	6,384	15,137	42.17	58.0	39.0	49.0
Winneba	7,193	5,442	12,640	43.05	63.0	47.0	56.0
Eastern Region							
Afram Plains	7,854	5,764	13,618	42.33	56.0	28.0	43.0
Akwapim North	7,024	6,321	13,345	47.37	73.0	50.0	61.0
Akwapim South	7,506	6,266	13,772	45.50	58.0	54.0	56.0
Asuogyaman	5,389	4,188	9,577	43.73	66.0	51.0	59.0
Birim North	9,493	7,370	16,863	43.71	77.0	55.0	66.0
Birim South	11,697	9,644	21,341	45.19	71.0	51.0	62.0
East Akim	15,455	13,448	28,903	46.53	68.0	63.0	66.0
Fanteakwa	6,887	5,053	11,940	42.32	60.0	43.0	53.0
Kwabibirem	10,568	9,006	19,574	46.01	60.0	58.0	59.0
Kwahu Mpraeso	18,575	15,887	34,462	46.10	76.0	61.0	69.0
Manya Krobo	10,719	7,532	18,251	41.27	66.0	43.0	56.0
New Juaben	8,469	8,198	16,667	49.19	87.0	69.0	78.0
Suhum-Kraboa -Coaltar	11,164	8,581	19,745	43.46	77.0	60.0	69.0
West Akim	9,500	7,372	16,872	43.69	68.0	54.0	62.0
Yilo Krobo	5,892	4,253	10,145	41.92	64.0	39.0	52.0
Greater Accra							
Accra	51,815	52,480	104,295	50.32	92.0	91.0	91.0
Dangme East	4,653	3,272	7,925	41.29	55.0	36.0	46.0
Dangme West	4,648	4,075	8,723	46.72	51.0	52.0	52.0
Ga Rural	9,700	7,458	17,158	43.47	63.0	58.0	61.0
Tema	10,441	10,440	20,881	50.00	100.0	97.0	99.0
Northern Region							
Bimbila	5,446	2,462	7,908	31.13	29.0	23.0	27.0
Bole	2,760	1,644	4,404	37.33	39.0	22.0	32.0
Damongo	2,505	1,817	4,322	42.04	48.0	38.0	43.0
Gambaga	7,068	3,071	10,139	30.29	30.0	15.0	25.0
Gushiegu-Karaga	1,694	447	2,141	20.88	14.0	8.0	12.0

DISTRICTS ENROLLMENT	Male	Female	Total	Percentage of girls	P6 as % of P1 1/ Male	Female	Total
Northern Region (contd)							
Saboba-Chereponi	1,833	937	2,770	33.83	24.0	19.0	22.0
Salaga	7,826	4,785	12,611	37.94	22.0	15.0	19.0
Savelugu-Nanton	3,530	1,121	4,651	24.10	18.0	13.0	17.0
Tamale	14,956	8,109	23,065	35.16	50.0	41.0	47.0
Tolon-Kumbungu	3,744	824	4,568	18.04	17.0	9.0	15.0
Walewale	3,522	2,356	5,878	40.08	24.0	19.0	21.0
Yendi	5,713	2,157	7,870	27.41	29.0	13.0	24.0
Zabzugu-Tatale	555	179	734	24.39	6.0	9.0	7.0
Upper East Region							
Bawku	11,118	5,269	16,387	32.15	35.0	21.0	30.0
Bolgatanga	7,426	4,929	12,355	39.89	43.0	44.0	44.0
Bongo	2,638	979	3,617	27.07	57.0	22.0	47.0
Navrongo	5,321	3,960	9,281	42.67	32.0	28.0	31.0
Sandema	1,623	1,759	3,382	52.01	32.0	29.0	31.0
Upper West Region							
Jirapa-Lambussie	3,706	2,155	5,861	36.77	32.0	26.0	29.0
Lawra	3,786	2,710	6,496	41.72	37.0	42.0	39.0
Nadawli	2,970	2,132	5,102	41.79	29.0	27.0	28.0
Tumu	644	365	1,009	36.17	47.0	33.0	41.0
Wa	7,676	4,686	12,362	37.91	40.0	28.0	35.0
Volta Region							
Akatsi	2,379	2,086	4,465	46.72	46.0	69.0	57.0
Anlo	8,969	6,660	15,629	42.61	61.0	48.0	55.0
Denu	14,089	8,845	22,934	38.57	59.0	38.0	50.0
Ho	16,494	15,374	31,868	48.24	78.0	67.0	73.0
Hohoe	6,198	5,812	12,010	48.39	97.0	70.0	82.0
Jasikan	9,012	8,088	17,100	47.30	74.0	64.0	70.0
Kadjebi	4,441	3,001	7,442	40.33	75.0	55.0	66.0
Krachi	4,146	3,008	7,154	42.05	56.0	42.0	50.0
Kpando	8,837	8,615	17,452	49.36	78.0	73.0	76.0
Nkwanta	7,403	5,386	12,789	42.11	59.0	43.0	52.0
North Tongo	7,662	6,506	14,168	45.92	55.0	43.0	49.0
South Tongo	4,287	4,201	8,488	49.49	73.0	29.0	46.0

29

DISTRICTS ENROLLMENT	Male	Female	Total	Percentage of girls	P6 as % of P1 1/ Male	Female	Total
Western Region							
Ahanta-West	4,561	3,058	7,619	40.14	57.0	38.0	48.0
Asankrangwa	14,095	10,857	24,952	43.51	60.0	48.0	54.0
Axim	6,974	5,227	12,201	42.84	49.0	33.0	41.0
Bibiani	5,898	4,875	10,773	45.25	67.0	54.0	61.0
Daboase	6,829	4,805	11,634	41.30	64.0	45.0	55.0
Enchi	6,241	4,561	10,802	42.22	52.0	37.0	45.0
Half Assini	4,735	3,010	7,745	38.86	44.0	29.0	37.0
Sefwi-Wiawso	19,930	14,480	34,410	42.08	62.0	46.0	55.0
Sekondi-Takoradi	18,610	17,334	35,944	48.23	74.0	72.0	73.0
Tarkwa	11,725	9,785	21,511	45.49	69.0	52.0	61.0

294

EIP - Table 2 - PERCENTAGE OF UNTRAINED MALE AND FEMALE TEACHERS IN PRIMARY SCHOOLS

Source: Ghana Education Service 1988/89

REGION	TRAINED Male	Female	UNTRAINED Male	Female	Total Male	Total Female	Percentage of Untrained Teachers Male	Percentage of Untrained teachers Female
ASHANTI	3,465	3,111	2,423	2,031	5,888	5,143	41.2	39.5
EASTERN	3,489	2,605	2,759	1,346	6,248	3,951	44.2	34.1
GREATER ACCRA	1,140	2,964	387	202	1,527	3,166	25.3	6.4
VOLTA	2,907	1,452	2,838	1,576	5,745	3,028	39.4	52.0
BRONG AHAFO	2,183	1,075	2,676	1,312	4,859	2,387	55.1	55.0
NORTHERN	787	258	3,048	1,039	3,835	1,297	79.5	80.1
WESTERN	1,485	1,008	2,907	1,478	4,392	2,486	62.3	59.5
CENTRAL	1,625	1,128	1,913	1,267	3,538	2,395	54.1	52.9
UPPER EAST	624	356	581	524	1,208	880	48.3	61.6
UPPER WEST	418	224	360	187	778	411	46.3	45.5
ALL REGIONS	18,123	14,181	19,895	10,962	38,108	25,143	52.3	43.6

EIP - TABLE 3 - DROP-OUT BY SEX AND BY REGIONS

Region	Sex	P1-P2 %	P2-P3 %	P3-P4 %	P4-P5 %	P5-P6 %	Annual Average Drop out Rate
Accra	Boys	.44	.25	1.96	8.19	3.58	2.88
	Girls	1.83	3.24	0.34	5.90	6.50	3.56
Volta	Boys	5.79	3.44	5.88	6.26	5.82	5.44
	Girls	13.36	4.28	6.11	7.67	12.58	8.82
Eastern	Boys	60.08	5.18	7.19	0.97	10.00	5.94
	Girls	11.09	6.97	9.01	5.11	14.93	9.42
Central	Boys	0.38	2.25	6.89	5.02	8.09	4.33
	Girls	9.62	8.96	9.17	8.23	12.66	9.73
Western	Boys	2.70	3.95	3.34	6.01	12.80	5.76
	Girls	10.18	8.06	6.16	7.89	18.08	10.07
Ashanti	Boys	3.17	4.87	4.40	3.52	9.12	4.96
	Girls	8.85	6.10	6.56	4.93	11.77	7.64
Brong Ahafo	Boys	10.57	5.77	6.94	6.85	19.96	10.06
	Girls	10.09	7.48	11.29	6.57	25.30	13.35
Northern	Boys	16.62	9.57	7.02	36.20	5.41	11.67
	Girls	28.29	11.07	7.22	19.82	33.48	19.98
Upper	Boys	23.53	12.26	5.94	12.08	3.37	11.44
	Girls	29.94	14.76	4.88	11.21	30.17	18.19

Source: Ghana Education Service, 1988/89.

240

EIP - TABLE 4

Summary of Quantitative Baseline (by selected Region) 1988/89

Baseline Indicator	Ghana Total			Upper West			Upper East			North			Greater Accra		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Grade one as % of 6 years old			69.1			52.5			46.2			56.5			79.0
Enrollment by Gender Grades 1-6	55.5	44.5	(100.0)	60.9	39.1	(100.0)	62.5	37.5	(100.0)	67.2	32.8	(100.0)	51.1	48.9	(100.0)
Grade 6 as % of Grade 1	63.65	53.72	59.07	36.46	30.43	33.89	38.58	29.40	34.91	63.65	53.72	59.07	83.19	81.39	82.31

Source: MOE, Planning, Budgetary, Monitoring and Evaluation Division, 1988/89.

EIP - TABLE 5

Region	1984 Census % of Country (1)	1989 Regional Enrollment	1989 Total Enrollment as % Nat. Enrollment (2)	Representation Ratio (2/1)
West	9.4	177591	11.1	1.19
Central	9.3	178931	11.2	1.20
Accra	11.6	158982	9.9	0.85
East	13.7	265075	16.6	1.21
Volta	9.9	171499	10.7	1.08
Ashanti	17.0	301313	18.9	1.11
Brong	9.8	178139	11.1	1.13
North	9.5	91061	5.7	.60
U. West	3.6	30830	1.9	.53
U. East	6.3	45022	2.8	.44
		1598443		

Sources: 1984 Census of Ghana, Quarterly Digest of Statistics, June 1988.
MOE, Planning, Budgeting, Monitoring and Evaluation Division, 1988/89

Assumption: Population Distribution by region little changed
Rank order probably unchanged

295

EIP - TABLE 6

EQUITY IMPROVEMENT PROGRAM

SUMMARY

Objective	Indicators Measures/Strategies	Means of Verification	Assumptions	Responsible Party	Timing of Measures
Institutionalized Equity Improvement Program (EIP)	Formulate EIP Progam	AID approved pilot program for system equity improvement initiated by MOE			1991*
	1. Include social analysis and research (SAR) into regular planning and evaluation activities implement gradually	SAR strategy design training plan	Training Activities and TA availability of SA analysis Cooperation between Inspectors, Planners and other (Specialists, Parents, Teachers) Community	MOE and TA/USAID Institutional Contractor	1990-91 1990-95
	2. Plan and implement specific EIP activities	EIP individual plans MOEC implementation progress reports Research results	Research results	MOE, Institutional Contractor	1990-95
People Level Impact of EIP					
Enrollment retention by gender	50% increase in total enrollment and girls enrollment in target inequity areas	MOEC enrollment and retention statistics qualitative evaluation of measures and impact	Targeting girls and specific groups of children		1992-93 1993-94 1994-95
Sustainability of EIP					
	Equity improvement mechanisms in place Equity policy by the end of IREP	Equity improvement policy statement	Institutionalized EIP	MOE	1993 1994-95

Note

1. Refers to plan program discussed with AID
* Single date indicated: measure will be implemented no later than that date
- One or several years are specified: actions will be taken each year

Annex I

Monitoring and Evaluation Plan

ANNEX I

MONITORING AND EVALUATION PLAN

1.0 INTRODUCTION

1.1 PREP GOAL AND PURPOSE OBJECTIVES

USAID/Ghana and Ghana's Ministry of Education (MOE) have embarked on a five year, US$ 32,000,000 Primary Education Program (PREP) to establish a quality, accessible, equitable and financially sustainable Ghanaian primary education system by Year 2000. It is the intent of AID and the GOG to ensure that the Program significantly benefits the intended target groups - the primary school age children of Ghana and their families. To that end, PREP will support establishment of a People Level Impact (PLI) monitoring program that will be institutionalized within the MOE.

2.0 RATIONALE

Educational indicators have been defined as statistics that enable interested parties to know the status of education at a particular moment in time with respect to some selected variables, to make comparisons in that status over time, and to project the future status of those variables.

Educational indicators therefore are time-series statistics that permit the study of trends and change in education. However, there may also be indicators of a qualitative nature which are not easy to represent in statistical terms as in the case of changes in education goals over time reflecting changes in socio-economic or political circumstances.

Monitoring and evaluation are indispensable components of effective program management. In a developing country such as Ghana, monitoring and evaluation are doubly important because the country cannot afford wastage or inefficiency.

The monitoring and evaluation plan described here is an important and integral part of PREP and is designed to provide the various organizations responsible for program implementation with:

1. Benchmark data against which to judge program accomplishments;

2. Statistical implementation and impact information required by both AID/W and USAID/Ghana; and

3. A mechanism to permit and encourage timely modifications in program implementation for Ministry of Education officials, in particular the Deputy Secretary's office.

Additionally, the plan will institutionalize, within the Ministry of Education (MOE), an information gathering capacity specifically targeted to the issues of basic education.

Monitoring and Evaluation functions will utilize resources available within both the Program and the Project components of PREP.

The Monitoring and Evaluation Section (MES) within the MOE's Program Management Unit (PMU) will be expanded to address PREP related demands by providing monitoring and evaluation services to PREP and USAID/Ghana; consultant services will be retained by the Project component to support a variety of monitoring and evaluation activities.

3.0 THE AVAILABILITY OF EDUCATIONAL STATISTICS

The National Planning Committee for the Implementation of School Reforms (NPCISR)

The Curriculum, Research and Development Division (CRDD)

The Program Budgeting, Monitoring and Evaluation Division (PBME)

The Ghana Living Standards Survey (GLSS)

The Ghana National Association of Teachers (GNAT)

The Ghana Statistical Service (GSS)

The Inspectorate Division of the GES

Each of the above organizations have been, to varying degrees, involved in educational data collection. The National Planning Committee for Implementation of School Reforms (NPCISR) functions as an advisory group for reform implementation. Other key organizations within MOE are the Curriculum, Research and Development Division (CRDD), which has responsibility for curricula development and has rewritten the JSS and primary school curricula and syllabi; the Program Budgeting, Monitoring and Evaluation Division (PBME), established in June 1988, which is responsible for data collection and analysis, including data on both schools and students. With UNDP assistance under EDSAC I, this division has greatly improved and now produces most data required for EDSAC planning and tranche reviews. The MOE is also building a decentralized monitoring system to improve implementation of policy reforms.

In order to achieve effective implementation and monitoring of the reforms at the school level, plans within the MOE are far advanced tostrengthen District Education Offices and to further decentralize supervision of teaching and learning to the Educational Circuits. Personnel and facilities for monitoring are also being developed at the Circuit level for a more thorough tracking of the reforms at the school level. The school reform effort in Ghana has resulted in increased resources being devoted to educational monitoring and evaluation. The design and development of the PMU/MES is consistent with the importance being attached to monitoring and evaluation throughout the educational system.

It is essential to reiterate that this Program is designed to strengthen the institutional and policy framework from which significantly improved primary education quality, access and equity will evolve in the mid term. As such, objectively quantifiable primary indicators of goal achievement (increased test scores_, increases in overall enrollment, increased female and select regional primary school enrollment, and retention disproportionately in excess of population growth are likely to be measurable only in the 7-10 year time frame. The Program will obtain data necessary to monitor impact after the end of the program, as well as those data required to track progress in meeting Program performance targets.

The range of statistical information gathered as part of the annual routine is wide, including not only enrollments and teacher numbers but also detailed information regarding the age and sex of children in school, the number of repeaters, and qualifications of the teachers.

The following information is available for each Primary School, located by Region and District. Current plans call for the data to be presented by Circuit within the next year.

The number of schools

The number of classrooms in Use

The number of classes (streams)

Pupil Enrollment: by Sex and Grade

Number of Pupils Age 6 (or under) on Admission

Number of Pupils Age 7 on Admission

Number of Pupils Age 8 (or over) on Admission

Number of Repeaters, by Sex and Grade

Number of Full-Time Teachers, Trained/Untrained, by Grade

Textbooks and New Workbooks by Grade

Perhaps the question most often asked about primary education is about the gross enrollment rate. What proportion of the relevant age group in the population is enrolled in school? There are no simple answers in Ghana because there are no figures available showing the number of children now in each age group as the most recent population census was taken in 1984. There have, no doubt, been notable population changes since 1984 within and between regions, districts and circuits brought about by rural-urban and other internal migration, immigration from neighboring countries, and possibly differing birth and infant mortality rates within various parts of Ghana. Without reliable age 6 cohort figures it is not possible to determine the percentage of that cohort that the enrolled P1 students represent. It is possible to posit a 3%/year population growth rate and extrapolate to achieve a rough estimate for enrollment percentages, but this procedure does not take into account the likely changes referred to above. A more accurate picture of enrollment percentages will emerge following the next national census in 1994.

Extended time series analysis is not now possible as systematic data collection is of a relatively recent origin in Ghana. The PBME was established within the MOE in mid-1988, but institutional capacity has increased impressively within the past few years and there is no reason to believe that a lack of data will inhibit the monitoring and analytic capability of the expanded PMU.

4.0 THE PREP/PMU EVALUATION UNIT

The PREP/PMU Monitoring and Evaluation program will be the responsibility of the PREP/PMU/MES and will be supported by a part of the US$ 2.0 million in LC equivalent programmed to support the PMU.

4.1 THE PREP PROGRAM MANAGEMENT UNIT MONITORING AND EVALUATION SECTION (PREP/PMU/MES)

The Program Management Unit Monitoring and Evaluation Section (PMU/MES) will form one of two PREP units being established within the existing PMU. The PMU will be the MOE implementing unit for the PREP program and the establishment of the Monitoring and Evaluation Section within the PMU structure will insure both ready access to data and MOE PREP management.

The role played by the PMU in providing leadership and coordinating activities has been crucial to the success of EDSAC I and Ghana's educational reform program, and PMU responsibilities will be greatly expanded with the onset of PREP.

While maintaining a distinct identity, the PREP/PMU Monitoring and Evaluation Section will be able to draw upon the experience and lessons learned from the existing PMU/EDSAC. Since the existing PMU focuses on Junior Secondary (JSS) and Senior Secondary Schools (SSS) it has become essential to have a sub-division within the present PMU to implement, monitor and gather data specific to PREP goals and objectives.

34

The PMU was created to manage EDSAC, is directly under the supervision of the Deputy Secretary for School Education and is responsible for all EDSAC planning, management and monitoring. The PMU has been the driving force behind the education sector reform in Ghana. It has an effective and dedicated staff and a reputation as a "can-do," results-oriented organization, It has taken over the procurement, supply and logistics functions for basic education from GES but has contracted out the accounting and financial monitoring of EDSAC funds to a local accounting firm. The PMU also contracts with local and foreign experts for provision of short term technical assistance services.

The EDSAC/PMU consists of a coordinator for school education, 29 professional staff, 34 support staff and an educational advisor. The professional staff includes project officers for procurement, disbursement, programs and logistics; coordinators for basic and second cycle institutions; and a budget officer, computer programmer, architect, civil engineer and construction estimator. Approximately one-fourth of the professionals are on long-term contract. The others are seconded from other divisions in the MOE. The support staff consists of four assistant project officers, seven project assistants and nine clerical positions. All PMU staff are Ghanaians, about one fourth of the professionals are on long-term contract, and the others are seconded from other Ghana Education Service (GES) divisions.

The PREP/PMU Monitoring and Evaluation Section (PMU/MES) will be headed by a Coordinator assisted by a planning officer, statistician, computer programmer and economic/cost analyst. The section will liaise with the Deputy Secretary for School Education and USAID/Ghana in addition to other PMU and MOE units. The Coordinator will be directly responsible to the Deputy Secretary for School Education, and will be the anchor person for all monitoring and evaluation of PREP at the PMU. (see PREP/PMU organizational chart in Annex E.)

Design and implementation of the PREP/PMU/MES program will require the expertise of both Ghanaian and expatriate TA. Ghanaian TA will be required because of clear ability, capacity and a unique knowledge of the Ghanaian social, economic and institutional environment within which the Program will function. Expatriate TA will be required to supplement Ghanaian technical expertise in specific areas for which a need is demonstrated and to complement the Ghanaian national perspective with the perspective of comparative international experience in education sector assistance. A significant amount of data has already been collected by the Ghana Living Standards Survey (GLSS), the PBME and the PMU, and to the extent practicable these data will be retained in the design of the PREP/PMU/MES monitoring and evaluation program.

4.2 FACILITIES

Offices will be located within the MOE complex although there is at present a severe shortage of available space. As the program evolves and the section expands, it may be necessary to move into separate quarters. PREP/PMU/MES office(s) will be appropriately furnished and supplied. A minimum of three computer terminals (with appropriate statistical software) will be provided in addition to at

305

least two vehicles. An absence of vehicles and the resultant transportation difficulties have often inhibited the mobility and effectiveness of monitoring units and it is important that staff members have ready access to both the schools and the personnel involved with PREP. Additional or replacement equipment needs will be justified by the PMU/MES Coordinator and approved by the PREP/PMU Director.

5.0 IMPLEMENTATION MONITORING

Implementation monitoring will concentrate on MOE specific needs. The Monitoring and Evaluation Section will provide MOE officials with the information and documentation necessary for the annual USAID/MOE tranche reviews. The extent of this yearly task follows. It is anticipated that the data will be systematically collected during the course of the year in anticipation of up-coming reviews.

YEAR ONE: SEPTEMBER 1990

CP 1.1: Signatures and Account Numbers.

The PMU/MES will provide USAID with evidence that: The Accountant General has authorized the opening of a MOE/PREP separate bank account at a Commercial bank; that such a letter conveys signatories of officials of both the Ministry of Finance and Planning and MOE under authority from Government of Ghana (GOG) Secretary for the Ministry of Finance and Economic Planning (MFEP).

CP 1.2: Acceptable Plan for Integration of PREP into the PMU.

The PMU/MES will provide USAID with: Documentation, including a revised organigram, attesting to the fact that PREP has been integrated into the PMU. Scopes of work for each PMU employee.

CP 1.3: MOE plan for disaggregation of primary school budget and expenditure data.

The PMU/MES will provide USAID with evidence that:

Prior to Tranche 1, MOE submitted to USAID a plan to disaggregate financial data on Primary Education. Such a plan should be assessed on the basis that it addresses the following issues:

1. A recognition of the presence of relevant expenditure in several divisions.

2. A detailed plan to isolate PE expenditure not included in Head 142-02 e.g., supplies in Basic Education Division.

3. Proposed ratios of apportioning expenditure on other divisions that service Primary Education.

YEAR TWO: SEPTEMBER 1991

CP 2.1: Receipt of primary education budget and expenditure data for 1990.

The PMU/MES will provide USAID with: Actual 1989 and 1990 budget and expenditure data. Data will be subject to independent financial assessment.

CP 2.2: Primary education share of 1991 recurrent MOE budget at least at 1989 level.

The PMU/MES will provide USAID with: Primary Education 1991 budget data and computed ratios as required. Data will be subject to independent financial assessment.

CP 2.3: Evidence an AID-approved primary education training program is in operation.

The PMU/MES will provide USAID with evidence that: AID approved GOG-adopted primary school teacher training program is operational with expenditure data and training program support materials. USAID/Ghana may observe training activities.

CP 2.4: Evidence that AID-approved pilot program for system equity improvement adopted by MOE.

The PMU/MES will provide USAID with: A copy of program plans. USAID/Ghana verify with periodic random site inspections.

YEAR THREE: SEPTEMBER 1992

CP 3.1: Receipt of primary education budget and expenditure data for 1991.

The PMU/MES will provide USAID with: Actual 1991 and 1992 budget and 1991 expenditure data. Data will be subject to independent financial assessment.

CP 3.2: Primary education expenditures consistent with 1991 budgets. Primary education share of 1992 recurrent MOE budget at least at 1989 level.

The PMU/MES will provide USAID with: Primary Education budget and expenditure data and computed ratios as required. Data will be subject to independent financial assessment.

CP 3.3: Evidence of MOE policy and AID-approved plan to increase the percent of the MOE recurrent primary education budget spent on primary teaching materials, excluding donor funding, to 6%.

307

The PMU/MES will provide USAID with: A copy of the policy and plan in which teaching materials are distinguished from sports and recreational materials or any other materials in the Supplies and Stores item of the expenditure. Ratios will be calculated and checked. The policy will be evidenced by an official circular to all MOE officials.

CP 3.4: Evidence that AID-approved MOE decentralization policy has been drafted and approved by MOE.

The PMU/MES will provide USAID with: A copy of the policy; evidence of implementation.

CP 3.5: Evidence that criterion-referenced tests (CRTs) have been developed and approved.

The PMU/MES will provide USAID with: Press coverage of program introducing P6 standardize tests. A copy of the tests.

YEAR FOUR: SEPTEMBER 1993

CP 4.1: Receipt of primary education budget and expenditure data for 1992.

The PMU/MES will provide USAID with: Actual 1992 and 1993 budget and 1992 expenditure data. Data will be subject to independent financial assessment.

CP 4.2: Primary education expenditures consistent with 1992 budgets. Primary education share of 1993 recurrent MOE budget at least at 1989 level.

The PMU/MES will provide USAID with: Budget and expenditure data with computed ratios as required. Data will be subject to independent financial assessment.

CP 4.3: Evidence materials expenditures is at least 5% of recurrent MOE primary education budget, excluding donor funding.

The PMU/MES will provide USAID with: Budget and expenditure data with computed ratios as required. Data will be subject to independent financial assessment.

CP 4.4 : Evidence MOE decentralization policy is been implemented.

The PMU/MES will provide USAID with: Press coverage of decentralization activities or other suitable documentation. USAID/Ghana may make periodic random site inspections.

CP 4.5: Evidence that an Equity Improvement Policy is being implemented by MOE.

The PMU/MES will provide USAID with: Press coverage of equity improvement activities or other suitable documentation. USAID/Ghana may make periodic random site inspections.

YEAR FIVE: SEPTEMBER 1994

CP 5.1: Receipt of primary education budget and expenditure data for 1993.

The PMU/MES will provide USAID with: Actual 1993 and 1994 budget and 1993 expenditure data. Data will be subject to independent financial assessment.

CP 5.2: Primary education expenditures consistent with 1993 budgets. Primary education share of 1993 recurrent MOE budget at least at 1989 level.

The PMU/MES will provide USAID with: Budget and expenditure data and computed ratios as required. Data will be subject to independent financial assessment.

CP 5.3: Evidence materials expenditures at least 6% of recurrent MOE primary education budget, excluding donor funding.

The PMU/MES will provide USAID with: Budget and expenditure data with computed ratios as required. Data will be subject to independent financial assessment.

CP 5.4: Evidence 90% of primary school teachers trained to minimum teaching standards.

The PMU/MES will provide USAID with: Teacher Training College records documenting that AID-approved primary school teacher training program is operational. The PMU/MES will establish the percentage which will have received training by Yr. 5 to ascertain whether or not it meets the 90% requirement.

CP 5.5: Evidence that CRTs have been administered to at least 80% of P6 students and results published.

The PMU/MES will provide USAID with: Field derived CRT implementation percentages. Press coverage of CRT results.

6.0 LOCAL CURRENCY MONITORING, EVALUATION AND REPORTING

The use of local currency generated by PREP should be tracked according to Agency policy and in support of the proposed sector reform program, and monitoring should adhere to Agency procedures for host-country owned LC use.

309

GOG Reporting on LC Use. The Ministry of Finance and Economic Planning (MFEP), in full coordination with the MOE, should report semi-annually to USAID on LC uses and expenditures. LC Use and Accounting Reports should indicate both levels and uses of LC during the previous six months. This reporting is scheduled to occur in November, immediately after USAID/Ghana has notified the GOG that conditions precedent to disbursement have been satisfied, and in May, six months later and prior to annual financial assessment and tranche reviews.

Local Currency Monitoring. Local currency programmed for teaching materials should be tracked until the materials have departed Accra through MOE procurement and ,materials distribution records. This should be supplemented by USAID/Ghana field spot checks conducted by the USDH Program Officer., the Assistant Program Officer, and others as the need arises. LC funds programmed for staff training should be tracked through annual independent financial assessment of MOE disbursement records, and through MOE training records. LC funds programmed for planning, management and supervision, for the Equity Improvement Program, for the PMU, and for studies and TA should be tracked through annual independent financial assessments of disbursements made by the MOE. Tracking of LC funds programmed for the USAID/Ghana OE trust fund should be tracked internally and reported semi-annually to MFEP.

Local Currency Financial Assessments. To insure consistency with Program requirements and that local currency is additive to normal MOE expenditures, principal and MOE subaccounts should be subject to annual A.I.D.-contracted independent financial assessments using a local accounting firm. These financial assessments should occur in July 1991, July 1992, July 1993 and July 1994 (table 4-1), prior to disbursement of Tranches 2-5 (Sct. 8.2). In addition, annual financial management reviews are schedule for January 1991, January 1992, January 1993, January 1994 and January 1995, to review PREP-related financial management and accounting records at the MOE. Scopes of work for the annual financial assessments and annual financial management reviews are attached in Annex J.

Field Monitoring. USAID/Ghana's USDH Human Resources Development Officer (HRDO), the PREP Program Officer, should make annual circuit rides in different areas of Ghana to conduct spot checks of conditions in both those primary school specially targeted by the Equity Improvement Program, and other primary schools nationwide. The long-term contract Assistant Program Officer should make similar but semi-annual circuit rides to different areas of Ghana for the same purpose. USAID may conduct, as necessary, other field-level monitoring during implementation stages as the materials stream finds it's way to the field.

7.0 IMPACT ASSESSMENT

7.1 PLI Assessment

The most significant impact of PREP will be on the primary students of Ghana. During the life of PREP, students who enter P1 during the 1990/91 school year will complete P5 at the end of the 1994/95 school year. Information about the quality and impact of the education that is being offered to these children, and their colleagues in the higher primary grades, will become more meaningful as PREP matures. The process of PREP data compilation will begin during the first year of PREP operations and continue throughout the life of the program and beyond. It is anticipated that the impact of the various PREP programmatic elements will require varying amounts of time to effectively reach individual classrooms and that the full impact of PREP will not become evident until 7 to 10 years after PREP is initiated. The assessment process will, however, continue throughout the program and the realistic likelihood of continued program impact may legitimately be forecast from the trend lines that will become apparent within the five year life span of PREP. The following indicators will be monitored on an on-going basis and patterns of People Level will become apparent both at EOP and after ten years.

7.1.1 People Level Impact at EOP

The following data will be collected and analyzed during the course of PREP. At the conclusion of the 1994/95 school year they will provide the basis for both a valid assessment of People Level Impact to that time and a preview of the extent of People Level impact for the years following.

1. Enrollment statistics.

The specificity of enrollment figures will increase during the course of PREP and by EOP will provide information at the individual school level. This gender disaggregated data base will enable PMU/MES to clearly establish trends in both enrollment, dropout and retention rates by circuit, district and region. The annual collection of enrollment data will provide both valuable information over time and current information that will enable prompt intervention in problem areas. The 1994 national census will enable the PMU/MES to determine, with more precision than had been previously been possible, the percentage of school age children who are enrolled in primary schools.

2. The percentage of primary teachers that are fully qualified and the percentage of schools that have basic teaching materials.

It is anticipated that at least 90% of primary school teachers will be qualified teachers and that all schools will have basic teaching materials by the EOP. Data supporting this indicator will be obtained from a variety of sources including: participation numbers from teacher training

sessions, surveys conducted by the PMU/MES and others, monitoring activities of the Inspectorate Division of the GES and National Service Scheme personnel, and spot checks by both PMU/MES and USAID/Ghana staff.

3. Teacher attendance.

Teacher attendance has been a problem in many schools and has negatively impacted on both educational quality and school enrollment. It is anticipated that the arrival of teaching materials, teacher training, more systematic monitoring and classroom guidance, and greater community support for the schools will have a salutary effect on both teacher morale and attendance. Information about teacher attendance will become available as the decentralization process takes affect and supervision initiatives reach local schools in a more systematic manner. The Inspectorate Division of the GES will play an increasingly important school visitation role and both PMU/MES and USAID/Ghana personnel will be visiting schools.

4. An institutionalized student achievement testing system.

Student achievement test will begin on a pilot basis during the 1991/92 school year in P6 and expand to include at least 80 percent of all P6 classes by the end of the 1994/95 school year. Tests will be given each year between 1991/92 and 1994/95 and by the EOP there will be test results available over a four year period. These test results will provide an important indicator as to the change in quality of education at the classroom level.

5. An Equity Improvement (EI) Policy in place and the EI Program being implemented.

The target areas designated for the EI program will receive considerable attention that will provide detailed data about the effectiveness of the policies implemented. Of particular interest will be the ability that these areas have developed in enrolling and retaining increased numbers of female students. These figures will be readily available for each year of PREP and the increasing effectiveness of the EIP will be apparent by the EOP.

7.1.2 People Level Impact at 7-10 Years

The realization of PREP People Level Impact will become most evident within the 7 to 10 year time frame. The following indicators will be monitored on an ongoing basis by the MOE and the outcomes, as indicated below, are anticipated.

1. Enrollment Statistics.

It is anticipated data gathering techniques will continue to be refined and gender disaggregated enrollment data will show in excess of 80% enrollment for all eligible children within the P1- P6 age group. This data will also demonstrate a significant drop in the percentages of both repeaters and drop outs in primary school.

2. Qualified teachers and basic teaching materials.

Teaching materials will be available and in effective use in virtually all primary school classrooms. It is anticipated that in excess of 90% of the teachers will be fully qualified and that an on-going regime of in-service training will be available to them.

3. Teacher attendance.

Teacher attendance will have dropped significantly and will no longer be considered a serious problem. The monitoring capabilities at the District level will have improved markedly and the morale and professional stature of teachers will have be reflected in an overall increase of teacher competence.

4. An institutionalized student achievement test.

It is expected that during this 7-10 year period that student achievement test will be being administered on an annual basis to all primary school students and that the results will be published so that communities may gauge the quality of their school against national norms. Test results will therefore not only be useful within the educational community but will help to mobilize wider community support for educational improvement and the increased status of the teaching profession. It is reasonable to speculate that such an increased status would be reflected in both higher salaries for teachers and a more highly educated group of young adults entering the teaching profession.

5. The continued implementation of the Equity Improvement Program.

It is a safe to speculate that the Equity Improvement Program will expand well beyond those target schools identified by PREP and be thoroughly integrated within overall education management practices in Ghana. Although equity issues will continue as an ongoing problem area the educational system will have gained, as a result of the Equity Improvement Program, a sensitivity to the problems, a body of experience in dealing with them and an appreciation of the necessity to address them.

7.2 Institutional Impact

7.2.1 Institutional Impact at BOP

The institutional impact of PREP at BOP will be assessed by the following indicators. This information will be collected and analyzed by the PMU/MES throughout the course of PREP and the documentation of the realization of these goals should not be problematic.

1. Policy for increased decentralization of MOE in place; MOE financial, Managerial and Operation authority decentralized.

The degree and efficacy of the decentralization effort will become evident to both PMU/MES and USAID/Ghana personnel during PREP management as there will be extensive contacts between the Accra based monitors and District educational personnel.

2. Adequate proportional expenditures for primary education funded entirely from MOE's own recurrent budget excluding donor funding.

Exhaustive budget and expenditure data will be provided to USAID/Ghana during PREP operations and will substantiate this indicator of institutional impact.

3. Policy in place for increasing the percentage of primary school expenditures spent on teaching materials to 6%.

Exhaustive budget and expenditure data will be provided to USAID/Ghana during PREP operations and will substantiate this indicator of institutional impact.

4. Education system planning, management and supervision significantly strengthened.

As with decentralization, the degree and efficacy of the planning, management and supervision effort will become evident to both PMU/MES and USAID/Ghana personnel during PREP management as there will be extensive contacts between the Accra based monitors and District educational personnel.

7.2.2 Institutional Impact at 7-10 Years

The institutional impact of PREP at the 7-10 year mark will be assessed by criteria similar to those used for an EOP evaluation. If, as is expected, the MOE is able to demonstrate with People Level Indicators the multiple benefits that have been derived from revamped organizational, managerial and operational systems, the following indicators will be further institutionalized.

1. Policy for increased decentralization of MOE continues in place; MOE financial, managerial and operation authority decentralized.

2. Adequate proportional expenditures for primary education funded entirely from MOE's own recurrent budget excluding donor funding.

3. The percentage of primary school expenditures spent on teaching materials to be no less than 6%.

4. Education system planning, management and supervision continues to be strengthened.

As with decentralization, the degree and efficacy of the planning, management and supervision effort will become evident to both PMU/MES and USAID/Ghana personnel during PREP management as there will be extensive contacts between the Accra based monitors and District educational personnel.

Impact (or People Level) monitoring will focus on the effects that PREP is having on the school children, teachers, and communities that are the

beneficiaries of PREP. PREP is designed to strengthen the institutional and policy framework from within which significantly improved primary education quality, access, equity and financial sustainability will evolve. Impact monitoring will establish the basis for the plausible attribution of positive changes in educational access, equity and quality to PREP.

The assessment of the PLI of PREP will require that both quantitative and qualitative methodologies be employed. Systematic quantitative monitoring will provide PREP officials and USAID personnel with both statistical information about individual schools and the data necessary for a national comparative perspective. This quantitative data will additionally be used to identify target areas for the Equity Improvement Program. Proposed criteria for the identification of EIP target areas are:

Those districts that fall within the lowest quartile or 25% of all Ghanaian districts, as ranked by the following indicators:

(1) District Level Indicators. Quantitative data of (a) (total) ratio between 1989 regional enrollment as percent of total enrollment and 1984 population as percent of total enrollment (b) total retention P6 as percent of P1 by district, and (c) gender disaggregated data as percentage of girls of total enrollment by district.

(2) School/Community Indicators. Selection criteria might include the following variables, as the data becomes available, in order to determine if a basis for equity improvement exists: (a) school infrastructure; (b) access road; (c) number of schools, school consolidation; (d) level of teacher qualification; (e) gender disparity in school; (f) potential for community participation; (g) alternative school organization and incentive systems currently under consideration.

Qualitative methodology will be employed to interpret the numbers developed from quantitative monitoring. Qualitative methodology will provide valuable insights into the myriad of social, cultural, economic, religious, tribal, and local beliefs and practices that have resulted in actions and decisions quantitatively tabulated. Qualitative analysis seeks to answer the question of why people make the decisions that they do.

Impact monitoring activities will be designed to be consistent with the Objectively Verifiable Indicators (OVIs) set forth in the Logical Framework (see Annex C).

Although quantitative monitoring by the PMU/MES will draw heavily on information already developed (see 3.0, above) additional surveys will be undertaken by the PMU/MES as may be necessary to ensure the appropriateness of PREP activities. Such PMU/MES initiated studies would be of limited scale (i.e., not national) and would most likely focus on schools within those areas that have been identified as EIP target areas.

Specifically, the PREP/PMU/MES will be responsible for all PREP monitoring activities necessary to provide information relating to concerns of PREP impact. PREP targets are specified as indicated below, and the analysis of the degree to which these goals have been fulfilled shall be the primary quantitative monitoring task of the PREP/PMU/MES.

PREP GOAL - YEAR 2000, OBJECTIVELY VERIFIABLE INDICATORS

A: - 80% of eligible children nationwide attending primary school.

Means of Verification (MOV): MOE enrollment statistics.

B: - 80% of children entering primary school graduate from P6.

MOV: MOE time-series enrollment statistics.

C: - 80% of children completing P6 meet the criteria established in reading, writing, and arithmetic.

MOV: Criterion referenced test scores in P6.

D: - 50% gross increase, enrollment of boys and girls, target inequity areas.

MOV: MOE enrollment statistics, 1991-2000.

E: - 25% increase in retention, boys and girls, target inequity areas.

MOV: MOE enrollment statistics, 1991-2000.

F: - MOE funding 100% of primary education costs for "design case" education system from it's` own recurrent budget by the Year 2000.

MOV: MOE financial data.

G: - Primary School student:teacher ratio at 40:1.

MOV: MOE enrollment and teacher employment statistics.

PREP PURPOSE - YEAR 1995, OBJECTIVELY VERIFIABLE INDICATORS

A: - Policy for increased decentralization of MOE in Place; MOE financial, managerial and operational authority decentralized.

MOV: Implementation monitoring. See CPs 3.4 and 4.4 above.

B: - 90% of primary schools have qualified teachers and basic teaching materials.

MOV: Implementation monitoring. See CPs 3.3, 4.3, 5.3, and 5.4 above.

C: - Institutionalized student achievement testing system being administered.

MOV: Implementation monitoring. See CPs 3.5 and 5.5 above.

D: - Equity Improvement (EI) Policy in place; EI Program being implemented.

MOV: Implementation monitoring. See CPs 2.4 and 4.5 above.

E: - Adequate proportional expenditures for primary education funded entirely from MOE's own recurrent budget excluding donor funding.

MOV: Implementation monitoring. See CPs 5.1 and 5.2 above.

F: - Policy and plan in place for increasing the percentage of primary school expenditures spent on teaching materials to 6%.

MOV: Implementation monitoring. See CPs 3.3 and 5.3 above.

G: - Education system planning, management and supervision significantly strengthened.

MOV: Quantifiable indicators will be developed by the PMU/MES and used in conjunction with qualitative methods to derive a reliable assessment.

To insure that data are developed that reflect the changing circumstances of the beneficiaries of PREP - the students and teachers - and provide an acceptable level of specificity to make judgements about the People Level Impact of PREP, the following guidelines are recommended.

Standard baseline data will be disaggregated initially by District and, within one year, by Circuit. All appropriate data will be disaggregated by gender. Standard baseline data will include, but not be limited to: 1) Enrollment rates by sex, region, and grade; 2) Repeater rates - by sex, region and grade; 3) Drop-out rates - by sex, region and grade; 4) unit cost per student by District and grade; 5) statistics on transfer students, by sex, region and grade.

Achievement rates - (as determined by a basic skills achievement test) for P6 by EOP by sex, Circuit and grade.

Teacher qualifications - by District, sex and grade.

317

Extent and suitability of educational facilities - by District. This quantitative indicator will incorporate 1) school enrollment; 2) school building adequacy and facilities; 3) average distance that students must travel to attend. The PMU/MES should develop specific criteria that will enable valid comparisons to be made between Districts, Circuits and schools.

8.0 Qualitative Monitoring

Qualitative monitoring will provide answers to questions that are not readily apparent from statistics alone. Properly utilized, qualitative monitoring can give valuable insights into why people (students, teachers, parents, community members) have made particular decisions. Statistical data is valuable in documenting, for example, school attendance or drop-out rates, but does little to explain why these decisions were made. Using interview techniques common to ethnography and anthropology, the qualitative procedure may employ participant observation, conversational interviewing, focus groups, short-term (one or two weeks) on-site residence and other similar methods to engage, and learn from, people in an honest exploration of their concerns and attitudes. Written questionnaires are avoided so that issues that may arise can be explored in depth. The purpose of the qualitative method is to provide program management with the perspective of the people in a timely and reliable manner. The sensitive and careful application of this monitoring technique can provide important insights not otherwise available. Qualitative monitoring can provide a means to judge the People Level Impact of PREP. Therefore, one of the first tasks of the institutional contractor under the program will be baseline attitudinal survey of the Ghanaian population's perspective of the primary education system.

The following issues are illustrative of the types of questions that may be explored with qualitative monitoring:

Factors that determine community participation in, for example, school construction, and how these considerations could be directed towards increased school enrollment?

Parent's and community member's knowledge of school purposes and methods and the sources of that knowledge.

Significant geographic and ethnic differences that might account for poor enrollment - especially by girls.

The importance of direct costs carried by parents of girls in school and how they relate to enrollment and retention.

The reasons that teachers leave teaching - and whether there are important considerations other than remuneration.

Cultural or other diferences between Regions or Districts that help to expplain a high drop-out rate.

How parents in a given community describe the benefits that they expect their children to obtain from school attendance and how these expectation differ between Districts and from MOE assumptions about parental assumptions.

The ideas that community members have about how to improve their local school.

The relationships between school attendance and the local agricultural work calender?

Incentives for becoming a teacher and how the teaching experience changes teachers attitudes towards teaching?

The importance of child labor in determing school attendance.

The key factors in promoting school attendance (e.g., quality, relevance or other).

As the education system decentralizes and more authority devolves to District level management and Headteachers, the relationship between school and community will take on greater importance. Community members must be encouraged to participate in school affairs, and the schools, in turn, must necessarily become more responsive to community needs. The qulitative monitoring methodology will provide PMU/MES personnel with a systematic framework within which to exhibit respect for community sentiments as they regard educational issues. The information so obtained will be important for local educational planning and the process will enhance the credibility of the educational system.

9.0 TRAINING

It is recommended that technical assistance be provided to the PMU/MES professional staff by off-shore consultants who will provide training in data acquisition, statistical analysis, computer programming and reporting techniques. In addition to foreign based consultants, local consulting firms and independent consultants will be identified within the university system and other MOE agencies as possible providers of technical assistance. Training will also be provided in qualitative monitoring techniques. Senior staff members will visit exemplary evaluation units in one or more developing countries as a training activity.

319

10.0 CONSTRAINTS

The responsibility for both impact and implementation monitoring of PREP rests with the Monitoring and Evaluation Section (MES) of the PMU. The relatively short time available to identify potential staff members, locate and equip adequate space, receive the necessary orientation and training, and organize the Section into an effective, integrated and fully functional component of the PMU is a major constraint.

Although there is still a marked lack of series of comparable data describing trends over recent years for many of the indicators that PREP will be monitoring, this is not viewed as a significant problem. As PREP evolves and as the impact of PREP policies and reforms becomes evident the sophistication of both the data and MES's ability to manage it will also expand. A significant store of educational information is currently available from a variety of sources, both within and without the MOE.

11.0 SCHEDULE

The ultimate effectiveness, efficiency and utility of the PMU/MES will to a great degree be determined by decisions made within the first few months of PREP. Beyond the initial tasks of staffing and locating and equipping an appropriate venue, it will be necessary to locate all relevant educational statistics that may be within the MOE or elsewhere. Appropriate and workable relationships should be established with the agencies or organizations that have access or are creating this data and mechanisms established that will ensure the steady flow of PREP related data to the PMU/MES. Lines of communications will also have to be established and formalized with the various units within the PMU to make the transfer of data to the PMU/MES virtually automatic. It is only after these relationships have been established and a careful tabulation made of available information that the PMU/MES will be able to identify those informational sectors that will demand the application of PMU/MES based research projects.

12.0 COORDINATION

The data gathering and statistical analysis capabilities within the MOE have increased substantially with the implementation of EDSAC I and the reform program. It will be necessary for the PMU/MES to liaise with the various organizations within the government that have and are developing educational data in order both to preserve scarce resources and to prevent any duplication of effort. The close coordination and sharing of information between these groups and the PMU/MES will serve the interests of all and provide useful feedback to the PMU/MES. In other words, they will draw upon whatever sources of information are available to present as complete a profile as possible of PREP impact while, at the same time maintaining a unique and specific interest on those impact issues relevant to basic education.

Annex J

Key Scopes of Work

ANNEX J

KEY SCOPES OF WORK

USAID/Ghana's Primary Education Program (PREP) provides US$ 32.0 million in program funds to the Ministry of Education to finance reforms and institutional changes in order to create a higher quality and more equitable, accessable and financially sustainable primary education system. The US$ 3.0 million projectized component, of which the services described herein are a part, is designed to provide focused technical assistance (TA) and training to ensure effective program implementation and monitoring.

Several types of services will be required for PREP, and may be categorized according to their function:

A. Long-term TA for PREP implementation;

B. Short-term TA for implementation;

C. Short-term onshore and offshore training;

D. Short term TA for monitoring;

E. Short-term TA for formal evaluations; and

F. Short-term TA for financial assessments and management reviews.

These services will be procured in three ways. A single institutional contractor will provide long- and short-term implementation TA and training (A-C); USAID will buy in to the USAID centrally-funded Advancing Basic Education and Literacy (ABEL) Project for short-term monitoring TA (D); and USAID will directly procure services for the two formal evaluations (E) and for the financial assessments and financial management reviews (F). This annex provides scopes of work (SOWs) for the institutional contractor, for the ABEL Project buy-in, and for the financial assessments and management reviews. SOWs for the mid-term and EOP evaluations will be developed during Program implementation.

SCOPE OF WORK

INSTITUTIONAL CONTRACT FOR PROVISION OF PREP IMPLEMENTATION SERVICES

1.0 GENERAL

Three types of services are required under this contract: A long term consultant to serve as Assistant Human Resources Development Officer at USAID/Ghana and as the Assistant Program Manager for PREP (4.75 person years); 2) 15 person-months of offshore and 18 person-months of onshore short-term consultancies for the purpose of implementing PREP; and 3) 35 person-months of offshore and 30 person-months of onshore short-term training for MOE personnel involved in management of PREP. These three types of services have been combined in one contract because all three are necessary for ongoing PREP implementation, and because of the strong linkages between the long-term TA, short-term TA and training required for effective implementation.

2.0 ASSISTANT HUMAN RESOURCES DEVELOPMENT OFFICER FOR PRIMARY EDUCATION

2.1 SPECIFIC RESPONSIBILITIES

The Assistant Human Resources Development Officer (HRDO) for Primary Education shall have the following responsibilities:

1. Assisting the USDH HRDO in managing all aspects of PREP including short-term offshore and onshore training; preparing scopes of work for the mid-term and end of program evaluations; drafting SOWs for any special evaluations; and managing and overseeing annual financial assessment and management reviews;

2. Assisting HRDO to liase with the MOE Project Management Unit;

3. Assisting USAID/Ghana's U.S. Direct Hire HRDO in monitoring GOG performance under various program elements, including keeping the mission advised as to GOG progress towards meeting conditions precedent (CPs) to disbursement and Program output- and purpose-level objectively verifiable indicators as shown in the Program logframe.

4. Identifying and proposing solutions to problems of Program implementation as they arise, and alerting the HRDO to problems in a timely manner;

5. Assisting the HRDO with preparation for annual pre-tranche and tranche disbursement reviews;

6. Assisting the HRDO with preparation of USAID project implementation reports, other reports, cables, and other documentation as required;

7. Monitoring the performance of the Advancing Basic Education and Literacy (ABEL) Project in providing short-term technical assistance for the People Level Impact monitoring program for PREP, particularly with respect to the design and quality control of the PREP Program impact assessment program and the inclusion of social and gender disaggregated data;

8. Evaluating the need for special studies; identifying special studies to be funded with projectized funds under the PREP Program that focus on key constraints to attaining Program objectives or meet key needs; and preparing SOWs for these studies; and

9. Conducting any other tasks relating to PREP that may be required by USAID/Ghana.

2.2 WORKING RELATIONSHIPS

The Assistant HRDO will report to the USAID/Ghana Human Resources Development Officer. His GOG counterpart will be the PMU Coordinator of PREP for the Ministry of Education.

3.0 SHORT-TERM TECHNICAL ASSISTANCE AND TRAINING SERVICES REQUIRED

3.1 OBJECTIVES AND STRATEGY FOR SHORT-TERM TA

While the MOE and particularly the PMU are staffed by many competent and dedicated professionals, they will also be very stretched to implement PREP with the personnel at hand. MOE is also determined to retain control of the process of reform, and to rely upon or build local expertise. It is imperative that all TA be well focused and practical. Elaborate, state-of-the-arts systems are not necessarily what are needed or desirable in the current Ghanaian educational context. Therefore, the following ground-rules for short term T.A. are established:

324

1. All TA will be of short duration and focused on particular tasks identified jointly by the MOE and USAID;

2. Local consultants will be used whenever possible, or local consultants will be paired with U.S. counterparts.

3. Insofar as American consultants are used, every attempt will be made to develop a core group of such consultants who will become knowledgeable of local conditions and needs and will be available for follow-up work.

3.2 OBJECTIVES, STRATEGY AND GUIDELINES FOR TRAINING

While there will be a place for formal short course training of MOE and PMU officials under PREP, it is anticipated that much of the training required will be specially designed to fill specific needs. There are two main reasons for this: first, trainees will be people actively engaged in implementing programs and faced with specific problems. Second, the time they can spare from their work will be very limited.

In every case, training programs should have a practical element including case studies and/or visits to sites that illustrate the subject being taught. Where a theoretical or academic foundation is necessary it should be entirely geared to the practical needs of the student. In many cases the contractor will be expected to organize a short, intensive, academic program geared to the trainee's needs followed by relevant field visits (e.g., 10 days intensive course work followed by 10 days of site visits in appropriate developing countries). In general, candidates for training should not be expected to be available for more than three weeks at a time.

It is also expected that in many instances training and technical assistance will be integrally related. For example, in the area of developing criterion-referenced tests and developing an integrated data management system for the PMU initial TA will not only identify problems and propose solutions but also may develop in-service training programs to implement recommended solutions. Furthemore, it will be desirable to have the same person(s) who provide the TA do the training.

3.3 SPECIFIC TA AND TRAINING ACTIVITIES

The institutional contractor will provide short-term TA and training services to USAID/Ghana and the Government of Ghana (GOG) Ministry of Education (MOE) during implementation of USAID/Ghana's primary education program. The contractor will be responsible for all arrangements necessary in order to provide these services.

Total offshore short-term TA will be provided at a level of 30 person-months over five years and total onshore short-term TA will be provided at a level of 34 person-months over five years. Total offshore short-term training will be provided at a level of 35

person-months over five years and a total of 30 person months of training services (TA) will be provided for in-country training over five years.

The specific areas requiring TA will be identified as the Program develops. However, based upon an Institutional and Contraints analysis the most likely needs for the first year will be the following:

1. Provide assistance to the PMU to develop a rational, appropriate and integrated data gathering and analysis system and developing the software and training programs necessary to accomplish this (4 person-months estimated);

2. Provide assistance to develop objective measures to asses which unqualified primary school teachers should be retained and given remedial training (2 p-m); and

3. Provide assistance in developing specific modules for in-service primary teacher training in such areas as multi-grade teaching; developing low-cost, locally produced teaching/learning materials; developing criterion-referenced tests; developing methods for teaching Reading, Math, and English effectively, etc. (6 p-m).

The most likely specific training programs required for the first year of PREP are the following:

1. An individualized training program on principles and methods of educational monitoring and evaluation, followed by pertinent site visits;

2. A visitation tour to observe incentive systems in action to address equity problems in basic education, e.g., housing schemes for teachers and headmasters, bonus or incentive pay schemes, production/achievement incentives, etc.;

3. A visitation tour to observe model PMU or similiar educational system managment schemes;

4. Training of Trainers (TOT) programs in specific teacher training modules such as administering and scoring criterion-referenced achievement tests, developing low cost, locally available teaching/learning materials, teaching Reading, English, Math, etc;

5. Individualized intensive course to upgrade teacher supervisory/inspection skills, followed by site visits to appropriate, innovative, or effective inspection/supervision systems in developing countries;

6. A course on procurement practices for newly appointed PMU procurement officers;

X
326

7. Courses on Data Base, Lotus 1-2-3, or other suitable programs for PMU data analysts; and

8. A visitation tour to school systems in developing countries successfully implementing decentralized budgetary, financial and management systems.

SCOPE OF WORK

ABEL BUY-IN FOR SHORT-TERM IMPACT MONITORING SERVICES

1.0 PURPOSE

It is the intent of AID and the GOG to ensure that PREP significantly benefits the intended target groups - the primary school age children of Ghana and their families. To that end, PREP will support establishment of a People Level Impact (PLI) monitoring program to be designed, tested and impelemented by the MOE with short-term U.S. technical assistance (TA); this PLI monitoring program will be institutionalized within the MOE. The purpose of this buy-in is to tap the human resources available through the centrally funded Advancing Basic Education and Literacy (ABEL) Project to assist USAID/Ghana and the MOE in ensuring that an adequate People Level Impact (PLI) monitoring program has been designed, and is functioning throughout the life of PREP and beyond.

2.0 SCOPE OF SERVICES REQUIRED FROM ABEL

The PLI monitoring program will institutionalize within the MOE a long-term capacity to monitor it's primary education program, as well as to provide USAID with the information required to quantitatively and qualitatively assess the people level impact of the PREP Program until the Year 2000. Because of strong Ghanaian technical capabilities, offshore TA will be used only when MOE or qualified Ghanaian consultants are not available. ABEL TA is limited to 15 person-months and Ghanaian TA acquired to support offshore TA to a total of 16 person-months over the five year life of the Program. Specific activities to be supported are the design, testing, monitoring and quality control of the PREP-supported MOE PLI monitoring program. Every effort will be made to ensure that these activities are practical and germane to this purpose, and are pertinent, practical, and streamlined.

3.0 SPECIFIC TASKS

Specific tasks to be conducted by short-term technical assistance acquired through the ABEL buy-in will include the following:

1. Review all aspects of the MOE system in place to monitor the impact of it's education reform program and make appropriate recommendations regarding the improvement and expansion of that system required to monitor the PLI of PREP through the Year 2000. This will include reviewing sources of data, data

378X

collection methodologies and data quality, both within and outside of the MOE; providing assistance to the MOE in PLI program design and evaluation; identifying key areas for further research; and identifying resources needed and available to carry out recommendations;

2. Assist the PMU to develop effective structures and procedures for identifying and monitoring inequities in primary education and developing effective and appropriate programs to redress the identified inequities;

3. Provide assistance, as requested by the GOG through USAID, to implement specific studies and solve particular problems directly germane to the PLI monitoring program; and

4. Undertake at least annual visits to monitor the PLI program and assist the MOE in improving that program.

When necessary, offshore TA provided through ABEL will subcontract with local consultants to assist with tasks directly germane to the PREP-supported PLI monitoring program. These local consultants will be identified with the assistance of and will be subject to the approval of the USAID PREP Program Manager and the MOE PREP Coordinator.

4.0 WORKING RELATIONSHIPS

All aspects of ABEL consulting services will be subject to the supervision and control of the USAID PREP Program Manager, and the MOE PREP Coordinator. The PREP Coordinator will serve as the primary GOG counterpart.

All short term technical assistance will be conducted with MOE staff assistance as designated by the PREP coordinator. If MOE staff are not available, local consultants may be used with the concurrance of the USAID PREP Program Manager and MOE PREP Coordinator.

SCOPE OF WORK

PREP FINANCIAL ASSESSMENT AND MANAGEMENT REVIEWS

1.0 BACKGROUND

USAID/Ghana's Primary Education Program will leverage significant institutional change within the Government of Ghana's (GOGs) Ministry of Education (MOE) related to economic resource distribution and financial management. Key institutional changes include 1) disaggregation of MOE primary education budget and expenditure data; 2) maintaining the amount of the MOE's recurrent budget for primary education to at least 1989 levels; 3) ensuring that expenditures on primary education are consistent with budget levels; and 4) increasing the proportion of the MOE recurrent budget expended on primary education teaching materials to 6% of the total recurrent primary education budget by the end of 1993.

To implement PREP effectively, it will be necessary to 1) ensure that financial conditions precedent to disbursement of tranched funds are met on time, and 2) monitor local currency to ensure that it is expended for the purposes programmed. In order to effect this, PREP will fund both financial assessments and management reviews (FMRs).

2.0 FREQUENCY AND TIMING

Financial assessments will be conducted annually, in July 1991, July 1992, July 1993 and July 1994. FMRs will also be conducted annually, in January 1991, January 1992, January 1993, January 1994 and January 1995.

3.0 FINANCIAL ASSESSMENT SCOPE OF WORK

The objects of a financial assessment will be to verify that the implementing agency has complied with regulations and requirements associated with the grant; that the set of accounts prepared and disseminated are in accordance with accounting records and books; that such accounts show a true and fair view of activities and state of affairs, and also that in fact proper books of accounts have been

330X

kept. To this end certain verification procedures will need to be followed, and the following specific tasks give a method for achieving this. Furthermore, the financial assessment presumes that a set of accounts will have been prepared by personnel responsible for the generation of the records and that independent verification of these accounts is necessary.

3.1 SPECIFIC TASKS

Specific tasks to be conducted during the financial assessment and management reviews for PREP are as described below:

1. Ensure that set of account balances agree with balances in books of accounts;

2. Obtain independent confirmation of account balances from banks, supplies in transit balances, and debtor balances, if any, and verify their existence. To this end, ensure that the assets were properly acquired and entered into the account books;

3. With respect to any work in progress, check figures in the accounts with independent valuations.

4. Verify the existence of separate bank accounts solely for USAID PREP funds; (i.e. MFEP PREP account for deposit of cedi generated by auction from dollar sales and MOE PREP account for funds moved from MFEP account via programming approval process)

5. Request confirmation from the Bank of Ghana (BOG) that tranched sums released were received by them and note details including the date; note and follow up on any discrepancies;

6. Check the amounts transferred by the BOG into MOE MFEP special account and verify conversion rates and dates. Sum up transfers to ensure that the total agrees with the amounts released to the BOG;

7. Verify all transfers of funds from MFEP PREP account to MOE PREP account to insure funds were properly programmed, approved by MFEP, MOE, and USAID and that the disbursement was authorized by USAID Project Implementation Letter (PIL).

8. Verify disbursement of funds from PREP's MOE bank account to ensure that all such payments were properly authorized, that proper procedures were followed, and that they are supported by requisite payment vouchers and other attachments;

9. Check the recording of details in the MOE PREP bank book and other ledgers to ensure that correct and timely entries are made in the books. The accounting structure and details of breakdown should conform to what is approved in the final document agreed to between USAID and the GOG;

10. Verify documentation to ensure that goods ordered were in fact received and were redistributed and that there is evidence of receipt. Similarly, verify documentation to ensure that in the case of services there is evidence of the rendering of the service;

11. Physically verify Program assets and check that asset registers (non-expendable property records) are written up and well documented for ease of identification;

12. Verify supporting documentation (invoices, etc);

13. Verify supplementary accounting information in respect of GOG expenditure on primary education, and check calculation of ratios. Test check aggregation of data and examine bases for objectivity. Trace figures to their sources and verify authenticity;

14. Check whether internal controls to safeguard the cash and other assets of the Program are adequate. In particular, examine the treatment and custody of value books including check books. Ensure bank reconciliations are regularly done, and also that there is proper segregation of the functions of authorization, the incurring of expenditures, the custody of assets, and the keeping of accounts.

15. Examine agreements between the GOG and USAID/Ghana and check whether effect has been given to all clauses.

4.0 REPORTING

Six copies of financial assessment and management review reports will be submitted to USAID/Ghana no later than four weeks following completion of the respective assessment or financial management review. The assessment report shall include a statement on whether the annual accounts are in accordance with the accounting books and do show a true fair view of the activities for the period under assessment. Exception reports to address issues that are either wrongly treated or improperly handled will also be submitted, making appropriate recommendations to avoid their recurrence.

332

Annex K

Training Plan

ANNEX K

TRAINING PLAN

1.0 BACKGROUND

USAID/Ghana's Primary Education Program (PREP) provides $32,000,000 in program funds to the Ministry of Education (MOE) to finance reforms and institutional changes in order to create a more equitable, accessible, and financially sustainable primary education system. In addition there is a projectized component to the Program of which the services described herein are part. The main purposes of the projectized component is to provide focused technical assistance and training to ensure effective program implementation and monitoring.

2.0 OBJECTIVES AND STRATEGY OF PREP TRAINING

The objective of the PREP training plan is to supplement MOE resources to provide needed training to the managers of the educational reform program. This will include MOE Project Management Unit (PMU) staff, members of the National Planning Committee for the School Reforms (NPCSR), and key Ghana Education Service (GES) staff. In line with the objectives and activities of PREP, training may be divided into three main activities: 1) Management; 2) Planning and Evaluation (including the Equity Improvement Program); and Decentralization. The orientation of the training activities will relate to the major elements of PREP and are indicated on Fig. K-1.

The intended trainees are, for the most part, experienced professionals who are also extremely busy running the educational refrom. Therefore, training must be designed to meet specific job-related needs, and be of short duration. Whenever possible training will be done in-country using either local or American consultants. In many of the training programs a Training of Trainers (TOT) approach will be used. MOE officials (e.g. senior teacher trainers) will obtain intensive, focused training either in-country or off-shore, and in turn train other MOE staff.

The phases of the PREP training strategy are illustrated in Figure K-1. Essentially, there will be a process of continuous dialogue and needs assessment to identify priority needs, specify the precise training required and determine timining and venue. This will be done formally at the beginning of each school year, but will also allow for unscheduled/ unplannned training activities that come up due to the exigencies of running a large and complex program.

3.0 TRAINING RESOURCES

A Gray Amendment firm will be contracted to provide the technical assistance and short-term training for PREP. A total of $183,000 is budgetted for in-country training (approximately 30 person-months), and $366,000 for off-shore training (approximately 35 person-months). Additionally, much of the short-term TA anticipated is training-related. Consultants will be tasked with developing systems and training programs to accompany the systems (for example, computerized data collection and analysis at the PMU, criterion-referenced achievment tests). A total of $441,000 has been budgetted for short term TA (off-shore and on-shore).

There are two other important resources available to USAID/Ghana which can be used to supplement PREP training funds. One is the Human Resources Development Assistance(HRDA) Project. There is approximately $2,000,000 available for short term training over the next four years in HRDA, to be split evenly between public and private sector training. The objectives of the public sector training, which is to strengthen management and technical skills of key GOG personnel concerned with economic policy reform, would include PREP. It is anticipated the HRDA will be used to fund some important training programs for PREP personnel prior to program authorization.

The African Graduate Fellowship Program III (AFGRAD III) provides long-term American training in advanced degrees (M.A. or Ph.D) to qualified Ghanaians. MOE personnel would generally fit the citeria for AFGRAD selection. 15 positions have been allocated for AFGRAD programs for Ghanaians.

4.0 FIRST YEAR TRAINING PLAN

Based on USAID/Ghana's Education Sector Update and extensive discussions with the MOE, several immediate critical training needs have been identified. The following list constitutes the training required to meet these needs:

- An individualized training program on principles and methods of educational monitoring and evaluation followed by pertinent site visits.

- A visitation tour to observe incentive systems in action to address equity problems in basic education; for example, housing schemes for teachers and headmasters, bonus or incentive pay schemes, production/achievement incentives, etc.

- A visitation tour to observe model PMU or similar educational system management schemes.

- Training of Trainers (TOT) programs in specific teacher training modules such as criterion-referenced testing developing low cost, locally available teacher/learning materials, teaching Reading, English, Math, etc.

- Individualized intensive course to upgrade teacher supervisory/inspection skills, followed by site visits to appropriate, innovative, or effective inspection/ supervision systems in developing countries.

- A course on procurement practices for newly appointed PMU procurement officers.

- Courses on D Base, Lotus or other appropriate programs for appropriate PMU data analysts.

- A visitation tour to school systems in developing countries successively implementing decentralized budgetary, financial and management systems.

Because of limitations on the availability of personnel, it is anticipated that not all of the above listed programs will take place in year one. The actual tentative training plan agreed to with the MOE for PREP appears in Figure K-2. It should be noted that two of the training programs will be funded out of HRDA.

FIGURE K-1

PREP TRAINING PLAN

MANAGEMENT

- * FISCAL (MONEY)
- * INFORMATION (DATA)
- * PERSONNEL (PEOPLE)

PLANNING AND EVALUATION

- DEVELOPING SCHEDULES
- ESTABLISHING BENCHMARKS
- SELECTING/DEVELOPING INSTRUMENTS TO MEASURE IMPACT

DELEGATION OF AUTHORITY

- PLAN
- THEORY
- PRACTICE

PHASES OF TRAINING ACTIVITIES

I.* PRE-PREP (ORIENTATION) AUG-SEPT 1990

II. PREP IMPLEMENTATION TRAINING ACTIVITIES BASED UPON SCHEDS FALL 1990.

III.** [illegible]

*ORIENTATION

I. PREP'S GOALS/OBJECTIVES
II. CPS
III. EXPECTED IMPACT OF SYSTEM
IV. MONITORING/EVALUATION/REQUIREMENTS
V. PROGRAMMING LC
VI. ROLE CLARIFICATION I.E.
MDC
PCAID
[illegible]
[illegible]
[illegible]

** CONTINUOUS STAFF RENEWAL AND DEVELOPMENT

- A DEVELOPING SOWS
- B DEVELOPING LINEAGES
- C DEVELOPING STAFF APPRAISAL STRATEGIES.

FIGURE K-2

FIRST YEAR OFF-SHORE TRAINING PLAN*

Need/Training objective	Primary Candidates(s)	Type of Training	Duration	Venue	Cost
Improved equity program	Key persons in EIP especially housing scheme (3)	Visitation of countries with effective equity/ incentive programme for primary schools	2 weeks	Zimbabwe and other pertinent countries	$15,000**
A more effective PMU.	Director - PMU Deputy Secretary, Chief Program Officer/ PMU, Chief Evaluation and Monitoring Officer	Familiarization with effective operations of education related PMU or similar organizations (i.e. or those that are that are efficient effective and have high impact)	1 - 2 weeks	Asia (Thailand, manila, Indonesia and Korea)	$20,000**
Training of new procurement officer(s) for PMU	New procurement officer Ast. " "	Principles of procurement practices	3 weeks	AAPC in New York or similar procurement agency	$14,000
Improved monitoring and evaluation (e.g awareness of gender/ equity issues, data needs, data management, monitoring and sampling techniques)	New PMU monitoring and evaluation specialist, PMU project officer for data collection and analysis.	Combination of 10 days course on principles and practices of monitoring and evaluation Followed by 10 days of field visits to countries with effective educ. data collection and analysis systems	3 weeks	U.S. Institution such as Standford or Columbia University following by field visitation tour (e.g Zimbabwe and Jamaica)	$14,000
Improve In-Service done teacher training	Program Officer for PEP teacher training and chief trainers for GES, UCC, Director of GES Division of Teacher Training, (5 candidates [illegible])	Increase awareness of effective in-service training program, in needed areas such as development of low cost [illegible], visual aids, [illegible], [illegible], and [illegible].	3 weeks	Visitation tour to Eastern and Southern Africa (Kenya, Zimbabwe Botswana, Lesotho Ethiopia).	$21,000
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Annex L

Draft USAID/Ghana Trust Fund Agreement
(Reserved)

Annex M

Justification for Waiver of Sct. 592(b) of the Foreign Operations, Export Financing, and Related Program Appropriations Act of 1990

VZCZCAPI *
PP RUEHC RUEHAB
DE RUEHAB #2826/01 124 **
ZNR UUUUU ZZH
P 041151Z MAY 92
FM AMEMBASSY ACCRA
TO RUEHC / SECSTATE WASHDC PRIORITY 0668
INFO RUEHAB / AMEMBASSY ABIDJAN 4266
BT
UNCLAS SECTION 01 OF * ACCRA 02826

CLASS: UNCLASSIFIED
CHRGE: AID 4 32/92
APPRV: AID:AFR:FSLOWRI
DRFTD: PDO:JGOODSON:JGA
CLEAR: 1.PRM:[illegible]
2.PDO:[illegible]
3.CON:[illegible]
DISTR: AID3 AF8 [illegible]

AIDAC

AID/W FOR AFR/PD/CCWA, GC/AFR, AFR/CCWA
ABIDJAN FOR REDSO:FTO, FLA

E.O. 12356: N/A

SUBJECT: PRIMARY EDUCATION PROGRAM (641-0119) REQUEST FOR A WAIVER FOR EXEMPTION FROM REQUIREMENTS OF SECTION 592 (B)(1) OF THE FY 1992 APPROPRIATIONS ACT

REF: (A) ACCRA 1164 (B) ABIDJAN 4392 (C) STATE 50759
(D) ACCRA 1769 (E) STATE 102291

1. THIS IS AN ACTION CABLE.

2. USAID COMPLIANCE WITH REQUIREMENTS UNDER THE FY 1992 APPROPRIATIONS ACT REGARDING SEPARATE ACCOUNTS AND DOLLAR TRACKING UNDER THE ESF IN IMPLEMENTING MISSION'S AGRICULTURAL PRODUCTIVITY PROMOTION PROGRAM (APPP) WAS REVIEWED IN REF A. IN LIGHT OF MISSION ASSESSMENT, REDSO SUPPORTED MISSION REQUEST FOR A WAIVER OF THE REQUIREMENTS REGARDING DOLLAR TRACKING AND ACCOUNTING UNDER THE APPP IN REF B. PER DETERMINATIONS IN REFS A AND B REGARDING REQUIREMENTS FOR SEPARATE ACCOUNTS AND DOLLAR TRACKING FOR ESF-FINANCED NON-PROJECT SECTOR ASSISTANCE (NPSA) PROGRAMS AS SET OUT IN REF C, MISSION PROVIDED INFORMATION REQUIRED TO JUSTIFY A WAIVER FOR APPP UNDER SECTION 592(B)(4) OF THE ACT IN REF D.

3. MISSION NOW SUBMITS THE FOLLOWING INFORMATION TO FACILITATE AID/W GUIDANCE ON A WAIVER OF THE REQUIREMENTS FOR DOLLAR TRACKING AND ACCOUNTING UNDER THE ESF FOR USAID'S PRIMARY EDUCATION PROGRAM (PREP; 641-0119), PURSUANT TO GUIDANCE PROVIDED IN REF C PARA 2(C)(2,4B). PREP WILL BE OBLIGATED AT A TOTAL LEVEL OF US DOLS 38 MILLION OVER FIVE YEARS. OF THIS SUM, US DOLS 32 MILLION WILL BE CASH DISBURSING NPSA. US DOLS 4.8 MILLION OF CASH DISBURSING NPSA WILL BE OBLIGATED IN FY92. PTO, THIS FY92 AMOUNT MAY BE INCREASED US DOLS [illegible] IF APPROVAL FOR MISSION'S FAMILY PLANNING AND HEALTH PROJECT (641-0116), NOW BEING FINALIZED, IS DELAYED. END FYI.

4. BACKGROUND.

(A) GENERAL - SECTION 592(B) OF THE ACT REQUIRES 1/ COUNTRIES RECEIVING CASH TRANSFERS OR CASH DISBURSING

341X

(C) DOLLAR TRACKING AND ACCOUNTING. - REF C PARA 2(E) STATES, INTER ALIA, THAT 1) GUIDANCE PROVIDED IN ST STATE 325792 FOR ESF CASH TRANSFERS SHALL APPLY IN ITS ENTIRETY TO DFA CASH DISBURSING GRANTS; AND 2) WHEN AUTHORIZING DFA DOLLARS FOR IMPORTS, THE STATED PREFERENCE FOR U.S. IMPORTS SHALL APPLY BUT THAT DFA SOURCE/ORIGIN PRINCIPLES MAY BE EMPLOYED IN DETERMINING ELIGIBLE USES AND TRACKING.

REF C PARA 2(C) STATES THAT IDEALLY, FX SHOULD BE AVAILABLE EQUALLY TO ALL SEGMENTS OF THE SOCIETY WHICH DEMAND IT, AND ACCESS SHOULD BE BASED ON MARKET MECHANISMS AT MARKET-DETERMINED PRICES. IT ALSO STATES THAT THE STANDARD TO BE APPLIED IN DECIDING WHETHER OR NOT A WAIVER OF SEC. 592(B) PROVISIONS SHOULD BE PURSUED IS WHETHER OR NOT THE IMPOSITION OF SEPARATE ACCOUNT AND DOLLAR TRACKING REQUIREMENTS WOULD BE INTRUSIVE TO AN FX ALLOCATION SYSTEM THAT IS OPEN AND NON-DIRECTIVE, AND THAT TO THE EXTENT THAT REQUIRING THE SPECIFIED LEVEL OF DETAIL REPRESENTS MORE CONTROL THAN THE GOVERNMENT ITSELF GENERALLY REQUIRES, A.I.D. WOULD NOT WISH TO SUPPORT INTERFERING WITH THE SYSTEM IN PLACE. IT FURTHER STATES THAT BY AND LARGE, WELL RUN FX AUCTIONS AND OTHER FREE MARKET MECHANISMS WOULD JUSTIFY A WAIVER.

WITH PREP AS WITH APPP, IT WILL BE POSSIBLE TO IDENTIFY THE SPECIFIC IMPORT TRANSACTIONS FINANCED WITH PREP DOLLARS AND TRACK DOLLARS AFTER THE FACT. U.S. BANK STATEMENTS WILL BE SENT TO THE BOG AND USAID INDICATING USES OF FUNDS. BOG RECORDS CAN BE USED TO VERIFY THAT THE DOLLARS ARE AUCTIONED WITHIN THE THREE MONTH TIME LIMIT. BECAUSE 1) IMPOSITION OF REQUIREMENTS FOR DETAILING PLANNED USES OF DOLLARS TO BE PROVIDED ON A CASE BASIS WOULD BE INTRUSIVE TO GHANA'S FX ALLOCATION SYSTEM, HOWEVER, A SYSTEM THAT FOR THE MOST PART IS OPEN AND NON-DIRECTIVE; AND BECAUSE 2) THE LEVEL OF CONTROL THAT WOULD BE REQUIRED BY A.I.D. REPRESENTS MORE CONTROL THAN THE BOG ITSELF REQUIRES, USAID SEEKS A WAIVER UNDER SECTION 592(B)(4) OF THE ACT TO DOLLAR TRACKING AND ACCOUNTING REQUIREMENTS FOR THE PREP PROGRAM.

FOLLOWING PARAS FIVE THROUGH SEVEN DESCRIBE, PURSUANT TO REF C SECTION 2.C.(2)(B), GHANA'S FX ALLOCATION PROCEDURES, THE DEGREE TO WHICH THE FX ALLOCATION SYSTEM IS OPEN, AND THE DEGREE TO WHICH THE FX MARKET IS DEPENDENT ON MARKET FORCES, RESPECTIVELY.

B. GHANA'S FX ALLOCATION PROCEDURES: ACCESS OF PRIVATE SECTOR FIRMS OR INDIVIDUALS TO FX.

THERE ARE TWO LEGAL SOURCES OF FX IN GHANA, I.E., THE WEEKLY FX AUCTION AND THE FOREX BUREAUS.

(A) THE BANK OF GHANA (BOG) WEEKLY FOREIGN EXCHANGE AUCTION - THE WEEKLY AUCTION WAS INSTITUTED IN 1987 AS AN INTERIM MECHANISM FOR DEVELOPING A MARKET-BASED SYSTEM OF ALLOCATING FX AND LIBERALIZING THE TRADE REGIME. IT IS CURRENTLY THE LONGEST-RUNNING FX AUCTION MARKET IN AFRICA AND HAS FACILITATED THE RE-ORIENTATION OF FX ALLOCATION

347

SATISFIES THE DEMAND. THIS RATE APPLIES TO ALL OFFICIAL FX TRANSACTIONS FOR THE FOLLOWING WEEK. UNDER THE PREVALENT DUTCH AUCTION SYSTEM, A SUCCESSFUL BIDDER PAYS HIS/HER BID RATE AND ANY REMAINING FX IS PRORATED IF THERE IS MORE THAN ONE BIDDER AT THE MARGINAL RATE. THE EXCHANGE RATE OF THE CEDI TO CURRENCIES OTHER THAN THE US DOLLAR IS DETERMINED BY THE BOG BASED ON THE AVERAGE WEEKLY EXCHANGE RATE OF THOSE CURRENCIES TO THE DOLLAR IN THE INTERNATIONAL MARKET.

-- (3) THE RESULTS OF THE AUCTION ARE MADE AVAILABLE EVERY FRIDAY AFTERNOON, AND PUBLISHED IN THE PRESS ON SATURDAYS, INDICATING THE NUMBERS OF BIDDERS AND SUCCESSFUL BIDS, HIGHEST AND LOWEST BIDS OFFERED, THE MARGINAL RATE AND THE TOTAL FX SUPPLIED BY THE BOG AND LEVEL OF DEMAND DURING THE WEEK. WITH THIS INFORMATION AND THE LIST OF WINNERS, THE BOG MATCHES THE REQUESTS FOR VARIOUS FOREIGN CURRENCIES WITH THE AVAILABLE SOURCES OF FUNDS, TAKING INTO ACCOUNT DONOR COMMODITY AND SOURCE AND CONTENT RESTRICTIONS. SEVERAL DONORS NOW SUPPLY FUNDS TO THE AUCTION AND SOURCE, ORIGIN AND COMMODITY RESTRICTIONS HAVE BEEN MINIMIZED TO FACILITATE EXPEDITIOUS DISBURSEMENT OF FOREIGN FUNDS THROUGH THE AUCTION.

-- (4) AFTER MATCHING FUNDS, THE BOG TRANSFERS THE FX INTO A BLOCKED ACCOUNT IN THE NAME OF THE BIDDER'S BANK WHICH PAYS THE BOG THE FULL CEDI VALUE OF THE FX. THE BIDDER'S BANK FINANCES THE IMPORT TRANSACTION WHEN THE BIDDER PAYS THE FULL CEDI EQUIVALENT OF THE FX OR COMPLETES FINANCING ARRANGEMENTS SATISFACTORY TO THE BANK.

(B) THE FOREX BUREAUS - THE BOG BEGAN LICENSING INSTITUTIONS, INCLUDING BANKS, AND INDIVIDUALS TO OPERATE FOREX BUREAUS IN FEBRUARY 1988. AT PRESENT, THERE ARE OVER 142 BUREAUS IN OPERATION COUNTRYWIDE. FX BUREAUS ARE PERMITTED TO DEAL IN EIGHT MAJOR CURRENCIES: THE US DOLLAR, POUND STERLING, GERMAN MARK, SWISS FRANC, FRENCH FRANC, CANADIAN DOLLAR, CFA FRANC AND JAPANESE YEN, AS WELL AS TRAVELLERS CHEQUES IN US DOLLARS AND POUNDS STERLING. THE SUPPLY OF AND DEMAND FOR FX AT THE BUREAUS ARE MARKET-DETERMINED AT DAILY PRICES FREELY QUOTED BY EACH BUREAU. BUREAUS OBTAIN THEIR SUPPLY OF FX FROM PRIVATE SOURCES INCLUDING RETAINED FX EARNINGS OF SOME EXPORTERS (EXCLUDING COCOA AND MINING), REMITTANCES, INTEREST EARNINGS, PRIVATE FOREIGN SAVINGS AND FX SELL BY THE PUBLIC. THE AVERAGE MONTHLY VALUE OF TRANSACTIONS HAS RANGED BETWEEN DOLS 6 TO 9 MILLION WITH THE US DOLLAR AND CFA FRANC BEING THE DOMINANT CURRENCIES TRADED.

6. DEGREE OF OPENESS OF FX ALLOCATION SYSTEM

(A) AUCTION - ALL FIRMS AND INDIVIDUALS WHO MEET THE ELIGIBILITY CRITERIA ARE FREE TO PARTICIPATE IN THE AUCTION MARKET. AUCTION TRANSACTIONS ARE CONDUCTED OPENLY AND ARE OPEN TO OBSERVERS. ACCESS TO THE AUCTION HAS BEEN WIDENED TO INCLUDE FUNDING OF ALL IMPORTS, EXCEPT FIVE CATEGORIES ON A NEGATIVE LIST (BEER, STOUT, CIGARETTES, CEMENT PIPES, ROOFING SHEETS AND ASBESTOS AND

343X

BY THE TRANSPORTATION SECTOR. AGRICULTURE RECEIVES LESS THAN 10 PERCENT OF AUCTION FUNDS WHILE USE OF THE AUCTION FOR IMPORTING CONSUMER GOODS IS LIMITED.

(B) FOREX BUREAU - ALL IMPORT TRANSACTIONS ARE PERMITTED AT THE FOREX BUREAUS. MONEY IS CHANGED OVER THE COUNTER AT THE BUREAUS WHERE TRANSACTIONS TAKE PLACE ON A STRICTLY CONFIDENTIAL BASIS AND NO RECORDS ARE KEPT ON CLIENTS. NO INFORMATION ON DOCUMENTS OTHER THAN SIMPLE ENCASHMENT OR SALES RECEIPTS ARE DEMANDED ON TRANSACTIONS WITH THE BUREAUS. BUREAUS ARE ONLY REQUIRED TO REPORT TO THE BOG MONTHLY ON TOTAL PURCHASES AND SALES OF CURRENCIES AND THEIR RESPECTIVE RATES; BEYOND THIS, THEIR OPERATIONS ARE ENTIRELY FREE OF BUREAUCRATIC ENCUMBERANCES.

7. DEGREE OF DEPENDENCE OF FX MARKET ON MARKET FORCES

(A) AT THE INCEPTION OF THE ECONOMIC RECOVERY PROGRAM (ERP) IN 1983, GHANA'S FX REGIME WAS THAT OF A TYPICAL AFRICAN COUNTRY, CHARACTERISED BY FX RATIONING THROUGH IMPORT LICENSING, CURRENCY CONTROLS, FIXED AND GROSSLY OVERVALUED EXCHANGE RATES, A BOOMING BLACK MARKET AND LACK OF FX FOR PERSONAL TRANSACTIONS. THE CENTERPIECE OF THE ERP HAS BEEN THE FOCUS ON ACHIEVING A FLEXIBLE EXCHANGE RATE AND LIBERALIZED TRADE SYSTEM TO RESTORE MARKET INCENTIVES IN THE ECONOMY.

(B) THE AUCTION HAS FUNCTIONED WELL IN REORIENTING THE NATURE OF THE FX SYSTEM. TOTAL AMOUNTS OF FX BANKED HAS INCREASED FROM DOLS 37 MILLION IN 1986, THROUGH DOLS 224 MILLION IN 1987 TO DOLS 342.7 MILLION IN 1989. TOTAL DEMAND IN 1989 WAS DOLS 354.5 MILLION. THE AVERAGE WEEKLY SUPPLY IN 1989 WAS DOLS 6.7 MILLION AS AGAINST AVERAGE WEEKLY DEMAND OF DOLS 7.1 MILLION (OVER 50 AUCTIONS). ECONOMETRIC ANALYSIS OF THE AUCTION MARKET BY IERI SHOWS THAT THE WEEKLY MARGINAL RATE IS SIGNIFICANTLY AFFECTED BY THE RATE DETERMINED, AS WELL AS UNMET DEMAND AT THE PREVIOUS AUCTION, WHICH SIGNIFIES MARKET BEHAVIOUR. THE DEMAND FOR FOREIGN CURRENCIES IS DOMINATED BY THE US DOLLAR (MORE THAN 50 PERCENT OF TOTAL), FOLLOWED BY THE UK POUND (ABOUT 20 PERCENT).

(C) TRANSACTIONS AT THE BUREAUS RESPOND ENTIRELY TO MARKET FORCES. THE SPREAD BETWEEN THE AUCTION AND BUREAU EXCHANGE RATES NARROWED CONSIDERABLY IN 1989, REFLECTING THE EFFECTS OF GOG MEASURES TO INTEGRATE THE TWO MARKETS. THE SPREAD IS CURRENTLY 11 PERCENT.
(D) THE REQUIREMENT TO OBTAIN IMPORT LICENCES IN ORDER TO ACCESS THE AUCTION HAS BEEN ABOLISHED; THIS HAS ELIMINATED THE MAJOR SOURCE OF BUREAUCRATIC INTERVENTION. THE FOLLOWING REFORMS WILL BE UNDERTAKEN TO ACHIEVE A UNIFIED FX MARKET AND FLEXIBLE EXCHANGE RATE THIS YEAR, AS AGREED WITH IBRD AND THE IMF.

(E) UNDER THE STRUCTURAL ADJUSTMENT PROGRAM (SAP), THE GOG IS MOVING TO ACHIEVE CONVERGENCE OF EXCHANGE RATES FROM THE TWO MARKETS THAT WILL RESULT IN A REALISTIC

SUPPLY DEALERS' (INCLUDING BANKS) DEMAND FOR FX. THE EXCHANGE RATE DETERMINED AT THIS AUCTION WILL ONLY BE USED FOR VALUATION OF OFFICIAL TRANSACTIONS WHILE OPEN MARKET RATES WILL APPLY TO TRANSACTIONS AMONG DEALERS AND BETWEEN THEM AND CUSTOMERS. OTHER COMPLEMENTARY REFORMS IN INTERNATIONAL PAYMENTS AND EXPORT EARNING RETENTION WILL FACILITATE THE ACHIEVEMENT OF A UNIFIED MARKET FOR FX IN GHANA BY JUNE 1992.

6. MISSION SUBMITS THIS CABLE AS JUSTIFICATION FOR A WAIVER OF DOLLAR TRACKING AND ACCOUNTING REQUIREMENTS FOR PREP PURSUANT TO SECTION 592(B)(4) OF THE SUBJECT ACT, AND PURSUANT TO PROCEDURES OUTLINED IN REF C PARA 2.C(2)(B) FOR CASES WHERE PAIPS FOR A CASE DISBURSING NPSA PROGRAM TO BE INITIALLY AUTHORIZED AND OBLIGATED IN FY92 HAS ALREADY BEEN APPROVED BY THE BUREAU. PAIP FOR SUBJECT PROGRAM WAS APPROVED ON 13 MARCH 1992 (REF E). MISSION REQUESTS AID/W ACTION PURSUANT TO REF C PARA 2.C(2)(B)(III). COPY OF THIS REQUEST WILL BE APPENDED TO PREP PAAD. EWING

BT
#2826

NNNN

Annex N

Initial Environmental Examination

ANNEX N

INITIAL ENVIRONMENTAL EXAMINATION
or
CATEGORICAL EXCLUSION

Country: Ghana

Program Title: Ghana Primary Education Program
(PREP: 641-0119)

Funding: US$ 35,000,000 FY(s): 1990-1994

IEE Prepared By: Jeffrey W. Goodson
Project Development Officer, REDSO/WCA

Environmental Action Recommended:

Positive Determination _____
Negative Determination _____
Categorical Exclusion X
Deferral _____

Summary of Findings:

This Program is eligible and recommended for categorical exclusion pursuant to the provision of 22 CFR 216.2(c)(1)(i) because it will not have an effect on the natural and physical environment; and pursuant to the provisions of 22 CFR 216.2(c)(2)(i), (iii), and (xiv) because it is an education program; will fund analyses, studies, academic or research workshops and meetings; and is intended to develop the capability of the recipient country to engage in development planning.

Clearance:

F.Gary Towery
USAID Representative
USAID/Accra

DATE: 2/16/90

Concurrence:

Bureau Environmental
Officer, AID/AFR

APPROVED: ✓
DISAPPROVED:
DATE: 7/2/90

Clearance:

GC/Africa Bureau

DATE:

Annex O

Bibliography of Analytical and Reference Documents

Annex O

Bibliography of Analytical and Reference Documents

Ahadzie, W. and M. Zuarcoopome. 1981. Girls and Women's Access to Education in Rural AReas.

Anonymous. 1989. Education Research and Policy. Special Issue of the Zimbabwe Journal of Education Research (Vol. 1, No. 1).

Benneh, G. n.d. Population Growth and Development in Ghana.

Cobbe, J. 1989. Economic Sector Analysis for Basic Education in Ghana. Prepared for USAID/Ghana.

Deloitte, Haskins & Sells. 1987. Audit of the EDSAC Program.

Dzobo, E., et al. 1974. Report on the New Structure and Contact of Education for Ghana.

Fuller, B. 1986. Raising School Quality in Developing Countries. What Investments Boost Learning? World Bank Discussion Papers.

Fuller, B. and S. Heyneman. 1989. Third World School Quality: Current Collapse, Future Potential. Educational Research, Vo. 18, No. 2.

Fullman, M. 1989. Implementing Educational Change: What We Know. World Bank PHREE Background Paper Series.

Georgiades, W. and H. Jones. 1989. A Review of Research on Headmaster and School Principalship in Developing Countries. World Bank PHREE Background Paper Series.

Government of Ghana. 1987. Program of Action to Mitigate the Social Costs of Adjustment. Accra.

_____. 1984, 1986. Report of the Educational Commission.

_____. 1961. The Ghana Education Act.

_____ (and World Bank). 1989. Ghana Living Standards Survey.

_____.(Ministry of Education and Culture). 1988. Overview of Policy Implementation for the Education Reform Program at Basic Education and Senior Secondary School Level.

_____.(Ministry of Finance and Economic Planning). 1988. Public Investment Program Budget.

Hough, T. and K. Bossman. 1988. Budgetary Analysis Using Education and Expenditure Ratios.

Hyde, K. 1989. Improving Women's Education in Sub-Saharan Africa. A Review of the Literature. World Bank PHREE Paper Series.

Jimenez, E., M. Lockheed and V. Paquero. 1988. The Relative Efficiency of Public Schools in Developing Countries. World Bank PHREE Paper Series.

Ntaui, R. 1983. Attitudes of Primary School Children in Ghana.

Overseas Development Association. 1987. Ghana Junior Secondary School Teacher Education Project.

Pandit, H. and F. Asiamah. 1988. Forecasting Enrollment and Teaching Manpower Demand for Basic Education in Ghana (1987-2000).

United Nations Development Program. 1988. Technical Cooperation in Ghana: Policvy and Management Issues.

United Nations Children's Fund. 1985. Adjustment Policies and Program to Protect Children and Other Vulnerable Groups in Ghana.

U.S. Agency for International Development. (AID/W). 1989. U.S. Assistance for Africa, The Development Fund for Africa (DFA), An Action Plan. Washington, D.C.

_____. (USAID/Ghana). 1989. Concept Paper: Ghana Primary Education Improvement.

_____. (AID/W). 1988. The Africa Bureau Basic Education Action Plan.

Verspoor, A. n.d. Pathways to Change: Improving the Quality of Education in Developing Countries.

World Bank. 1989. Sub-sector Study on Republic of Ghana Basic Education for Self Employment and Rural Development.

_____. n.d. Policy Study on Education in Sub-Saharan Africa Policies for Adjustment, Revitalization and Expansion.

_____. 1985. Ghana Education Sector Review and Proposed Investment Strategy.

_____. n.d. Report on Improving Primary Education in Developing Countries.

_____. 1986. Report on Education Sector Adjustment Credit to Republic of Ghana (EDSAC I).

_____. 1989. EDSAC II (Draft).

Yeboah, V. 1988. Overview of the Educational Reforms Programme.