

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT DATA SHEET

1. TRANSACTION CODE: **C** (A = Add, C = Change, D = Delete)
Amendment Number: **1**

DOCUMENT CODE: **3**

2. COUNTRY/ENTITY: **EGYPT**

3. PROJECT NUMBER: **263-0139**

4. BUREAU/OFFICE: **NEAR EAST** (Code: **03**)

5. PROJECT TITLE (maximum 40 characters): **Basic Education**

6. PROJECT ASSISTANCE COMPLETION DATE (PACD): **MM DD YY 016|310|818**

7. ESTIMATED DATE OF OBLIGATION (Under "B:" below, enter 1, 2, 3, or 4)
A. Initial FY: **81** B. Quarter: **4** C. Final FY: **83**

8. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total				21.8	63.2	85.0
(Grant)				(21.8)	(63.2)	(85.0)
(Loan)						
Other: 1.						
U.S. 2.						
Host Country					79.0	79.0
Other Donor(s)						
TOTALS				21.8	142.2	164.0

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) EH	B623	680							
(2)									
(3)									
(4)									
TOTALS									

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each):
620 | 636 | 650 | 670 | 976 | 978

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)
A. Code: BR | EQTY | R/ED
B. Amount: 62.0 | 62.0 | 2.6

13. PROJECT PURPOSE (maximum 480 characters):
Expand enrollments in and increase the efficiency of primary/basic education.

14. SCHEDULED EVALUATIONS: Interim **04|84** Final **03|86**

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

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)
This Amendment adds five governorates to the present Project's school construction component, provides additional instructional materials and equipment to primary and preparatory schools, and initiates a program to measure educational outputs.

17. APPROVED BY: **Director** (Signature: *W. J. W. Shaw*)

Date Signed: **MM DD YY 05|31|83**

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

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I. Summary, Issues and Recommendations

A. Summary:

USAID/Cairo proposes an amendment to the present Basic Education Project (0139). Activities to be included in this amendment expand existing interventions without changing the Project's goal or purpose. On-going efforts to expand educational access will be increased by extending the Project's school construction component to five additional governorates in which enrollments, as do those in the original five governorates, fall below the national average. These governorates are Sharkiya, Giza, Fayoum, Beni Suef and Minya. Previous efforts to improve learning environments will be continued by providing additional instructional materials and equipment to primary and preparatory schools throughout Egypt. In addition, efforts to enhance the quality of basic education will be supplemented by underwriting the costs of research and development activities focused on questions of educational efficiency and effectiveness. Generally speaking, implementation arrangements will follow those established in the present Project. The estimated cost of the U.S. contribution to the amendment is \$46.0 million. U.S. financed outputs include 2,372 classrooms, 7,000 schools provided with instructional materials and equipment, and 300 person-months of technical consultation for the Ministry of Education (MOEd). The estimated cost of the Government of Egypt's contribution is the Egyptian Pound equivalent of \$48.0 million. The Egyptian contribution will finance 3,147 classrooms.

B. Issues:

1. Why now?

The Grant Agreement was signed in August 1981. To date, only _____ percent of Project funds have been disbursed. Why seek additional funding at this time?

An Amendment is proposed at this time because a need exists for additional assistance, the Egyptian response to the Project has been highly favorable, and implementation is proceeding well.

The present Project is financing the construction of approximately 6600 classrooms in five governorates in which enrollments fall below the national average; instructional materials and equipment which will be distributed to approximately 7500 schools throughout Egypt; and technical assistance directed at improving the quality of Egyptian basic education. There are however, ten governorates in which enrollments fall below the national average and approximately 2000 schools including teacher training institutes and Project-financed schools, which need instructional materials and equipment. The Amendment will extend the Project's school construction component to the five remaining governorates in which enrollments fall below the national average. It will also provide additional instructional materials and equipment and assist the Ministry of Education (MOEd) develop a system for measuring educational outputs and assessing the relative effectiveness of inputs.

The quality of the Egyptian response to the Project is measured by two factors. First, land for the construction of A.I.D. financed schools has been donated willingly by the communities in which the schools are being built. Second, the MOEd has given new emphasis to the problem of educational access. The current year's investment budget for basic education contains disproportionately larger allocations for those governorates in which enrollments are low.

Finally, implementation; the procurement of instructional materials and equipment under the present Project was completed on schedule. The construction component is running ahead of schedule. Twelve schools have already been completed and it is anticipated that an additional _____ will be ready for the fall term. The T.A. component, after initial delays, gained momentum with the signature of a contract between the MOEd and the Academy for Educational Development in late March. Consultants will begin work early this summer.

An existing need, a positive Egyptian response and successful implementation combine to support an Amendment to the Basic Education Project at this time.

2. Why to this level only ?

The concern here focuses on school construction. The question is: Why, when there is a need for new or replacement schools throughout Egypt, limit the Project's expansion to these five additional governorates?

~~5~~ 6

The Project's construction component is geared to achieving a particular enrollment target, 83 percent of all six-year old children. This target was the national level of six-year old enrollments at the time of Project design. It was selected as the target for two reasons. First, it was thought that the impact of A.I.D.'s resources could be maximized by focusing on areas of greatest need. Second, it represented a manageable goal in light of existing enrollment levels, which in some governorates were as low as 70 percent, and estimated levels of construction capacity.

With the Amendment, the Project will be working in ten of Egypt's twenty-one core governorates. Enrollments in each of the ten fall below the national average. Each of the ten also ranks relatively low on the physical quality of life index for Egypt. All ten were identified as key problem areas in the original PP but work was begun in five only as means to test the capacity of the school building system. For the most part, this system has proven effective and the Mission is now prepared to include the other five governorates in which enrollments fall below the national average in the Project.

3. Quality or Quantity?

Agency policy states that, while A.I.D. encourages the expansion of basic education systems, the first priority for A.I.D.'s education assistance will be improving the efficiency of existing education systems (see State 26343,

Paragraphs 3 and 6). The Amendment emphasizes quantity through additional construction. Might not more be done on the side of quality and efficiency through the Amendment?

Both the MOEd and Mission are aware of problems related to the quality and efficiency of education in Egypt. In a 1979 "Working Paper," which became the basis for educational reforms initiated during the 1980/81 school year, the MOEd demonstrated its awareness by speaking of curricula which do not prepare students for practical, productive lives; teaching practices which emphasize rote memorization; high truancy and dropout rates; and low teacher qualifications.

The present Project includes a technical assistance component designed to assist the MOEd in the analysis of the development of programs to overcome such problems. This element has just begun to function. However, in order to increase the awareness of Egyptian educators to questions of educational efficiency, the Amendment includes financing for research and development activities directed at developing and utilizing educational output measurements.

C. Recommendations.

1. USAID/Cairo recommends AID/W approval of an amendment to the Basic Education Project Authorization to authorize funding up to \$85.0 million. This represents an addition of \$46.0 million to the existing Grant Agreement and \$40.0 million to the existing Authorization. A draft First Amendment to the Basic Education Project Authorization is presented as Annex A.

2. USAID/Cairo recommends that, subject to the availability of funds, funding for these additional activities be fully obligated in the current fiscal year, 1983.

3. USAID/Cairo recommends that Source/Origin Waivers from A.I.D. Geographic Code 000 to 941 be approved to permit the procurement and ocean transportation of sewing machines. The rationale for this action is presented on page_____ and is consistent with previous waivers authorized for this purpose. The estimated value of this procurement is \$1.5 million.

II. Background: The Present Project.

A. Inputs and Outputs.

The Basic Education Grant Agreement was signed on August 19, 1981. Its PACD is December 31, 1986. Outputs from the present Project include approximately 6,600 classrooms constructed in the rural areas of five governorates in which the enrollment levels of six-year old children fell below the national average of 83 percent in 1980. These governorates are Kafr El Sheikh and Beheira in the Delta, and Assiut, Sohag and Qena in Upper Egypt. The present Project will also provide instructional material and equipment to approximately 7,600 primary and preparatory schools (grades 1 through 9) throughout Egypt and finance approximately 140 person-months of technical cooperation directed at improving the quality and efficiency of basic education. The U.S. contribution to the present Project is \$39.0 allocated roughly as follows: construction, including inflation, \$24 million; educational commodities, \$10.0 million; technical cooperation, \$2.5 million; project evaluation, \$0.7 million; and contingencies, \$1.8. The Egyptian contribution is the equivalent of \$31.0 million allocated wholly to the construction of classrooms in the same five governorates.

B. Goal and Purpose.

The Basic Education Project was designed within a basic human needs strategy. Its goal is to enhance Egyptian government efforts to improve the

physical quality of life in Egypt as measured by increased literacy among rural youth. Literacy became the focal point of Project activities because it is, on the one hand, a developmental objective at the core of a basic human needs strategy and, on the other hand, because it is related to other desirable outcomes of development such as increased agricultural and industrial productivity, greater equity, better health and nutritional standards, and reduced population growth. The Mission's willingness to invest in literacy for basic human needs reasons is further bolstered by the fact that social returns to primary education in developing countries average 27 percent, well above returns to other activities.¹

About one-half of the Egyptian population above the age of fifteen is illiterate. Not surprisingly, literacy rates are lowest among the least schooled segments of the population. For example, in Assiut, one of the present Project's target governorates, the illiteracy rate of rural women approaches 90 percent. At the same time, slightly less than one-half of the six-year old girls in Assiut enroll in grade 1. Project design assumed, therefore, that the goal of increased literacy could be achieved, in part, through increased enrollments. It was also recognized, however, that improvements in system quality and efficiency were necessary to achieve the goal of increased literacy. It has been estimated, for example, that 25 percent of the children who begin primary education fail to complete it within the required six years.² The Project's purpose, therefore, is to expand enrollments and increase the efficiency of primary and/or basic education.

1. Enrollments.

Project design studies highlighted access to schools as a factor limiting enrollments. Access is, in part, a physical problem. Many rural children, for example, live beyond the reach of existing schools or are squeezed out of them by overcrowding. Both of these factors affect girls more than boys. Access is also partially due to cultural and economic factors. Many fathers, especially those in Upper Egypt, object to daughters attending schools with boys. Others find the work of school-age children essential to maintaining family incomes. Of all the factors affecting enrollments, however, recent World Bank analyses point to physical access as the major cause of low enrollments.

Regressions for enrollments in rural areas showed that the number of schools per school age population significantly increased enrollments. The proportion of primary students who were female was also significantly related to the number of schools per capita. While demand factors such as the need for child labor may limit enrollment to some extent, particularly in rural Upper Egypt, supply [of schools] is the most significant constraint.³

The strategy behind the Project's construction component, therefore, was to increase enrollments by easing supply constraints; by building schools in areas of greatest need.

The original PP analyzed the magnitude of the supply constraint against three policy goals: (1) maintaining current enrollments against continued population growth estimated at 2.5 percent annually; (2) raising six-year old enrollments to the national average of 83 percent; and (3) raising enrollments to 95 percent by 1985, the goal of the MOEd. In each case, the estimated supply of new classrooms financed by the Government of Egypt fell short of the estimated demand.⁴ This situation is summarized in the following table with more detailed governorate level information given in Table I.

Classrooms and Investments

A. Classroom Requirements:	Population Growth	<u>Plus 83%</u>	<u>Plus 95%</u>
Demand	14,413	20,158	35,086
Supply	<u>12,624</u>	<u>12,624</u>	<u>12,624</u>
Shortfall	1,789	7,534	22,462

B. Investment Requirements (\$ million):			
Demand	115.7	161.9	281.7
Supply	<u>101.4</u>	<u>101.4</u>	<u>101.4</u>
Shortfall	14.3	60.5	180.3

The present Project was designed to achieve the middle option in five governorates. These are Kafr El Sheikh and Behcira in the Delta Region and Assiut, Sohag and Qena in Upper Egypt. The middle policy option was chosen as being the one most manageable within the estimated construction capacity of the participating governorates. The participating governorates were selected, in part, because of low enrollments but also because they ranked relatively low on the Egyptian physical quality of life index and the USAID sought to achieve a broad geographical distribution of funds. To date, this intervention has taken several forms. Following site selection criteria established for the Project, schools are being built in communities where none existed before and the closest school is more than two kilometers away, a distance too great for first and second graders to walk. In other communities, incomplete schools, i.e., those with only two or three grades,

TABLE I

DEMAND FOR ADDITIONAL CLASSROOMS, 1985/6

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

are being completed so that children who begin grade 1 can have access to the higher grades. This is particularly true for grades 7, 8, and 9, the final years of the MOEd's new basic education program. In still other communities, separate schools for girls are being constructed to overcome parental objections to mixed-sex schools. Of the 244 sites approved to date under the present Project, approximately _____ percent are in communities of the first type, _____ percent in the second type of community, _____ percent in the third type.

2. Efficiency.

In 1979, the MOEd completed an extensive review of pre-university education in Egypt. This review pointed to the accomplishments of the educational system in the post-revolution years but went on to argue that there are still problems to be addressed. Among these it listed:

- curricula which do not prepare students for productive adult lives;
- rote memorization and out-dated teaching practices and materials;
- high truancy and dropout rates;
- urban/rural differences in the quality and quantity of education;
- low teacher qualifications; and
- out-moded management practices.⁵

Out of this review and subsequent public discussions, there emerged, in 1981, new educational legislation establishing practical skills and knowledge as the philosophical foundation for the initial, basic stage of Egyptian education. Under this philosophy, the law requires the curriculum of grades 1

to 9 to emphasize the relationship between education and productive work and achieve a thorough integration of theoretical and applied studies in all fields. It also mandates a closer link between the curriculum and employment opportunities in local communities to highlight the relevance of learning and prepare students for work.⁶

The present Project was developed at a critical juncture in the MOEd's review process. It was committed to a fundamental reform of the educational system but had not developed the policies, programs or plans required to carry it out.

The MOEd's goals with respect to basic education are not unique to Egypt nor is the process of implementing planned educational change. The MOEd and the USAID, therefore, thought there would be considerable value in giving the MOEd access to the experience of others who sought to bring about similar reforms. It was determined that this could be best accomplished through a host country indefinite quantity contract with a U.S. firm which would allow the MOEd to call upon a broad range of expertise in areas related to its basic education reform efforts.

The services to be provided by this firm are those normally associated with policy review, program development and decision-making. They include provision of state-of-the-art information and professional analyses of problems or issues central to the reform effort; planning and/or execution of policy or program oriented research; and consultation on the development of programs to achieve stated policy goals. The contract for these services was signed with the Academy for Educational Development on March 24, 1983. It is

expected that Academy consultants will begin working with the MOEd on such problems as curriculum development, instructional materials and teacher training during the coming summer.

Underlying the MOEd's basic education reforms is an attack on what is seen as the current system's over emphasis on book learning and rote memorization. School children display a remarkable ability to recite texts and parrot answers when called upon by teachers but relatively little ability to transfer lessons learned in science, for example to health, home economics or other fields.

There are many factors associated with this phenomenon. One of these is the fact that there are few opportunities for Egyptian children to actively participate in learning. Until recently, the average Egyptian classroom was been a fairly barren classroom learning environment. While basic books were readily available for memorization, missing from most classrooms were the types of instructional equipment normally used by teachers to involve children in learning and demonstrate the practical meaning of lessons.

In 1979, under the CIP, A.I.D. began to supply supplementary teaching equipment to the primary and preparatory schools of Egypt. Included in this equipment were simple science apparatus, wall maps and globes, home economics and sewing supplies, and hand tools for carpentry, electrical repair, and agriculture. The present Project provides additional equipment of a similar type. When the equipment already ordered under the present Project is distributed, approximately 15,000 schools throughout Egypt will have received some American financed instructional equipment thereby enhancing the chances of Egyptian school children to actively participate in learning.

C. Beneficiaries.

Literacy and enrollment rates are not uniform throughout Egypt. Generally speaking, people who live in rural areas and girls are more likely to be illiterate and out of school than urban dwellers and boys. Hence, the major beneficiary issue under the present Project relates to the school construction component which is clearly directed at increasing enrollments. Several steps were taken during design to ensure that these groups derived the greatest benefits from the Project.

First, participating governorates were identified on the basis of adult literacy levels, per child expenditures on education, primary school enrollment rates and estimated classroom capacities. Each of the five governorates participating in the present Project is characterized by relatively low levels of literacy, expenditures, enrollments and classroom capacity. Each is also predominantly rural in that over 70 percent of their populations live outside of urban areas. These governorates also tend to fall at the low end of the Egyptian physical quality of life index. A more detailed explanation for selecting the governorates participating in the present Project is presented in Annex D.

Second, school site selection criteria were derived from the problem of educational access as it exists in Egypt. Hence, in selecting sites, priority is given to the construction of schools in communities where the next closest school is more than two kilometers away. High priority is also given to the construction of separate girls schools in communities where female enrollments

are relatively low and community norms dictate separate classrooms. Finally priority is given to completing primary schools with only the first two or three grades and the construction of "preparatory" schools which will provide the final three years of basic education. Project financed schools have not be used to eliminate double session schools nor have they been built in urban areas.

Finally, school location maps were prepared for each of the participating governorates. These maps show the locations of existing communities and schools and highlight those areas for which distance is a major factor limiting enrollments. These maps are supported by detailed reports which, among other things, list the communities in which female enrollments fall below area norms. These maps and reports are being used in conjunction with the site selection criteria to ensure that Project financed schools are accessible to the intended beneficiaries, i.e., rural youth, particularly girls.

D. Implementation Status.

The school building, and instructional materials are on the original PP schedule. Of the approximately 2900 A.I.D. financed classrooms, sites for 1791 ~~244~~ have been approved and ~~acquired~~, contracts valued at approximately \$12.0 Million ~~\$12.0~~ have been let for 1385 classrooms and \$ 3.5 million have been disbursed. There are contracting and cost overrun problems in the Assiut Governorate. These problems and the steps being taken to resolve them are discussed in the section dealing with implementation arrangements (pages ___ - ___). Of the \$10.0 million set aside under the present Project for instructional materials

and equipment, contracts valued at \$9.3 million were let between December, 1982 and March, 1983. The original PP scheduled this equipment to arrive in Egypt during the third and fourth quarters of this Fiscal year. There is every reason to expect this will happen. Indeed, two suppliers, Denoyer-Geppert and NASCO, shipped in the second quarter of FY 83..

The technical assistance component, on the other hand, lags by approximately five months due primarily to delays in evaluating prequalification materials. Once the shortlist of pre-qualified firms was established, the MOEd moved quickly to evaluate technical proposals and negotiate a contract with the Academy for Educational Development. The Academy's liaison officer began working with the MOEd in late April to identify tasks and consultant teams are expected to begin work in June, 1983. Project impact evaluation lags by approximately six months also. However, an A.I.D. direct contract with Creative Associates for evaluation services was signed in December, 1982 and baseline data collection activities began in February, 1982 and will resume in November, 1983.

Project expenditures fell below the \$4.5 million projected in the PP for FY82. Actual expenditures were approximately \$1.5 million. Expenditures in the first half of FY 83, however, have accelerated rapidly due largely to increased construction activity. Through the end of the second quarter, \$_____ million were expended for this activity alone. Additional expenditures of approximately \$9.3 million will be incurred as the instructional materials and equipment purchased through the Project are shipped during the third and fourth quarters. By the end of FY 83, therefore, it is expected that cumulative Project expenditures will be reasonably close to the \$14.7 million projected in the original PP. Generally speaking, the

III. The Amendment.

The goal of the Basic Education Project is to enhance Egyptian government efforts to improve the physical quality of life in Egypt. The purpose is to increase enrollments in and improve the efficiency of basic education. The Amendment follows the goal and purpose of the present Project but increases inputs and outputs by: (1) adding new governorates to its school construction component; (2) funding the procurement of additional instructional materials and equipment; and (3) initiating a system for measuring educational outputs. These activities are described below.

A. Inputs and Outputs.

1. Classrooms.

The present Project is building approximately 6,600 classrooms in five governorates --Beheira, Kafr El Sheikh, Assiut, Sohag and Qena. This level of construction is the estimated number of classrooms required to enroll 83 percent of the six-year old children these governorates and to provide sufficient additional classroom space to allow them to complete nine years of basic education. The Amendment will incorporate five additional governorates into the Project's construction component. These five are: Sharkiya, Giza, Fayoum, Beni Suef and Minya. Like the original five, the enrollment levels of six-year old children in the five additional governorates fell below the 1980 national average of 83 percent. Like the original five, the additional five also tend to rank low on the PQLI and educational criteria used to identify participating governorates. The following table presents the relative positions of all ten governorates.

Governorate	PQLIA ^a	Literacy ^b	Enrollment 6-12 years ^c
Minya	15	29%	56%
Fayoum	15	26	55
Beni Suef	18	32	56
Sohag	21	27	57
Assiut	22	31	59
Qena	27	29	59
Sharkiya	30	37	62
Beheira	36	34	55
Kafr El Sheikh	38	30	55
Giza	40	47	68
National Range	15-95	27-67%	55-105%
National Average	39	43%	71%

(a) Khalid Ikram, "Meeting Basic Needs in Egypt," (World Bank Paper), p. 16.

(b) General Census, 1979.

(c) 1978-79 school year; Basic Education in Egypt, Report of the Joint

Egyptian American Team (A.I.D. Contract AID/AFR-C-1198), Table 2.

Table 1, page ____, projects the number of classrooms needed to achieve the 83 percent enrollment target nationwide. The following table abstracts this information for the five new governorates only. It suggests that the Project's 83 percent six-year old enrollment target can be achieved with the addition of 5,126 classrooms. This estimate, however, needs to be modified to accommodate the special needs of Sharkiya.

Governorate	Percent 6 Year Old Enrollment (1979/80)	Classrooms Required:		Total
		Population Growth	83% Enroll	
Sharkiya	82.7	850	-0-	850
Giza	80.7	1,143	256	1,399
Beni Suef	74.0	302	372	674
Minya	71.3	403	775	1,181
Fayoum	70.1	449	573	1,022
Total		3,147	1,976	5,126

Sharkiya is a unique case in that the estimated number of classrooms required to achieve the 83 percent enrollment target governorate wide is nil. A review of the school location maps for each markaz (county) in Sharkiya, however, indicates a need for additional classrooms greater than estimates based upon governorate level aggregations. This is particularly true with respect to "preparatory" schools (grades 7-9) throughout Sharkiya and primary schools (grades 1-6) in three markaz, Husenaya, Kafr El Sakr and Faqous.

Six-year old enrollment levels among the twelve markaz of Sharkiya are relatively high. For the current school year, they range from 80 to 100 percent and the school maps show fairly complete primary school coverage in those markaz with high six-year old enrollments. In three markaz, however, six-year old enrollments fall below the 83 percent level and for these three-- Husenaya, Kafr El Sakr and Faqous-- the maps show less complete primary school coverage. Within these three markaz, there are thirteen areas two or more kilometers from the closest school. There are five similarly isolated sites in the markaz of Abu Kabir and Abu Hamad. Holes in the preparatory school coverage are more common throughout Sharkiya. Using a four kilometer radius as the definition of "isolation", there are 39 localities in Sharkiya without access to the final three years of the new basic education curriculum. Assuming that a nine classroom basic education school will be built in areas without access to primary education and that preparatory schools will consist of six classrooms, it can be estimated, that Sharkiya will need 396 classrooms to provide complete primary and preparatory school coverage. This brings the total number of classrooms to be constructed under the Amendment to 5,519 allocated amongst the five new governorates as follows: Sharkiya, 1,246; Giza, 1,399; Beni Suef, 674; Minya, 1,178; and Fayoum, 1,022. The estimated cost of these classrooms with furnishings is \$83.8 million.

2. Instructional Equipment.

Through the 1979 supplemental CIP, A.I.D. began financing instructional equipment for the primary and preparatory schools of Egypt. This equipment included simple science apparatus, maps and globes, and hand tools for carpentry, masonry, agriculture, electricity, home economics and food processing. This activity was continued under the 1980 CIP and the present Project. To date, instructional equipment valued at approximately \$25 million has been financed by A.I.D. and placed in approximately 14,000 schools throughout Egypt. Table II provides a more detailed accounting of this equipment. The following table provides the MOEd's estimate of equipment required to complete coverage of existing schools.

<u>Equipment Package</u>	<u>Elementary Level</u>	<u>Preparatory Level</u>	<u>Total</u>
Electricity	400	550	950
Home Maintenance	400	550	950
Woodworking	-	550	550
Food Industry	350	600	950
Dairy Products	600	700	1,300
Poultry	500	-	500
Horticulture	500	500	1,000
Home Economics	650	700	1,350
Science	1,200	1,200	2,400
Social Studies	9,600	800	10,400
Audio-visual	-	2,500	2,500
Sewing	5,500	950	6,450
Sewing Machines	11,000	1,900	12,900
Stoves	11,000	-	11,000
Textiles	12,500	12,500	25,000
Textile Printing	2,000	2,000	4,000
Total	56,200	26,000	82,200

However, there are several important modifications which need to be made to this list of requirements.

Table II

Distribution Of A.I.D. Financed
Basic Education Equipment

<u>Packages/Year</u>	<u>1980/81</u>		<u>1981/82</u>		<u>1982/83</u>		<u>Total</u>	
	Prim.	Prep.	Prim.	Prep.	Prim.	Prep.	Prim.	Prep.
Electricity	300	300	5400	900	6480	1260	12,180	2460
House								
Maintenance	280	280	5400	900	6480	1260	12,160	2440
Wood								
Working	700	300	5400	900	6480	1260	12,580	2460
Brick								
laying	50	90		360	6480	1260	6,530	1710
Food								
Industry	360	200	5400	360	6480	1260	12,240	1820
Dairy								
Product	100	100	5400	180	6480	1260	11,980	1540
Poultry	140	100		180		1260	140	1540
Hotecuture	220	200	5400	180	6480	1260	12,100	1640
Home Sc.			5400	360	6480	1260	11,880	1620
Science	550	290	5400	540	5400	1050	11,350	1880
Social Sc.	710	290		1700	1200	200	1,910	2190
Audio Visual	550	290		180	1200		1,750	470
Commercial		28						28
Sewing	<u>500</u>	<u>140</u>	<u>5400</u>	<u>540</u>	<u>1200</u>	<u>600</u>	<u>7,100</u>	<u>1280</u>
Total	4,460	2,608	48,600	72.80	60,840	12,190	113,900	23,078

First, the present Project will add approximately 600 schools to those which exist already. Second, there are 90 Teacher Training Institutes which, if provided with similar equipment, could better prepare teachers for its use in the classroom. Third, in some respects, the equipment packages are too "lean" to accomplish instructional goals. There is, for example, only one microscope in the science package. Classrooms, on the other hand, generally contain forty or more children. Given that ratio, the amount of learning time each pupil has with a microscope will be minimal. There is, therefore, a need for additional microscopes as well as supplementary equipment for the other packages. Finally, there is a critical need for Arabic-language audio-visual materials to go along with the slide and overhead projectors already purchased. Appropriate materials have been developed locally through the MOEd's Manshiet El Bakry Audio-Visual Center and can be produced locally through private sector suppliers. In recent years, however, there has been no funding for production.

The estimated cost of completing coverage of existing schools is \$5.1 million. The estimated cost of equipping Project financed schools is \$1.2 million. The estimated cost of providing similar equipment to the Teacher Training Institutes is \$1.0 million. The estimated cost of supplementary equipment is \$2.5 million and the USAID recommends reserving the Egyptian pound equivalent of \$200,000 for the production of audio-visual materials through the Manshiet El Bakry Center. This level of funding for audio-visual materials is based upon the Mission's desire of test the MOEd's capacity to procure locally produced instructional materials. The Mission will consider additional funding for such materials in the future. The total estimated cost of instructional materials and equipment under the Amendment is \$10.0 million.

3. Educational Research and Development.

In recent years, the MOEd has absorbed approximately five percent of the Egyptian government's total budget. This level of funding, however, is only sufficient to achieve limited goals, e.g., 83 rather than 95 percent enrollments. Currently, there is no reason to expect a significant increase in the level of funding for education. Hence, the MOEd is under growing pressure to do more within a relatively fixed budget. At the present time, however, it does not monitor the outputs of the educational system in a manner which could lead to the optimum use of available resources.

Key elements of a system for monitoring educational outputs are already in place but are not used for this purpose. There are, for example, annual examinations which measure academic achievement which can be disaggregated by school, classroom and pupil. There are also annual collections of input data (e.g., teacher training, experience and attendance, the condition of buildings and SES proxies) which can be disaggregated at the same levels. Budgetary information is also available. The MOEd also has its own computer which would permit automated data processing. Other elements of a system for measuring educational outputs, however, are missing. Input and output measurements, for example, are not combined in an integrated data base. The MOEd also lacks appropriate computer software and formats for providing analytical results to management level officials for policy and program consideration.

To encourage a more efficient use of educational resources, the Amendment will sub-grant the Egyptian pound equivalent of \$100,000 to the MOEd to

develop a system for continuously assessing the productivity of the Egyptian educational system. The outputs of this sub-grant will include an integrated data base of input and output information, appropriate computer software for the analysis of current and alternate system use, and an initial series of prototype reports evaluating system productivity and the relative effects of educational inputs.

B. Beneficiaries.

The Basic Education Project seeks, through increased school enrollments and literacy, to improve the physical quality of life in Egypt. In Egypt, the physical quality of life varies considerably --the PQLI ranges from a low of 15 to a high of 95. ⁸ Thirty-one percent of A.I.D. financed classrooms will be constructed in the three governorates ranked lowest on the PQLI; 68 percent will go to the six lowest ranked governorates. All participating governorates fall in the bottom half of the PQLI rankings. A.I.D. resources, therefore, are clearly targetted on geographical areas of greatest need as the following table demonstrates.

Geographical Distribution of Classrooms
(Percentage)

<u>Governorate</u>	<u>PQLI</u>	<u>U S Resources</u>	<u>GOE Resources</u>	<u>Total Project</u>
Minya	15	15	6	10
Fayoum	15	11	7	8
Beni Suef	18	7	4	6
Sohag	21	14	12	13
Assiut	22	19	10	9
Qena	27	11	8	9
Sharkiya	30	7	12	10
Beheir	36	16	18	17
Kafr El Sheikh	38	5	6	6
Giza	40	5	17	12

To further target A.I.D. resources within participating governorates, site selection criteria favoring rural areas and girls were developed and school location maps were prepared to identify qualified sites. These criteria and maps are discussed on pages ____ and _____. The same site selection criteria will be applied in the five governorates incorporated through the Project Amendment and school maps will be prepared for these governorates as well. Work has been completed on the maps for Sharkiya, Giza and Fayoum.

U.S. financed instructional materials and equipment, on the other hand, have been rather uniformly distributed among governmental primary and preparatory schools throughout Egypt in a effort to provide benefits to a wide range of public school children.

C. Implementation Arrangements.

Under the present Project, implementation responsibilities are shared by local officials, the MOEd and the National Investment Bank (NIB). The responsibilities carried by each group mirror those they carry for the Egyptian government's own educational investments. To date, these arrangements have worked reasonably well. Project implementation has moved forward and, where there have been problems, as there have been with the construction component in Assiut, the system has alerted local officials, the MOEd, the NIB and USAID to their existence and steps have been taken to correct them. Generally speaking, these same arrangements will be followed under the amendment with minor modifications as discussed below.

1. Construction.

Implementation arrangements for this component can be summarized as follows. Site selection responsibilities are shared by local officials and the MOEd. Local officials identify sites which meet access criteria specified by the Project. The proposed sites are reviewed by the MOEd to ensure conformity with the criteria. Contracting responsibilities rest with local officials. Competitive procedures are used and contracts are signed by Markaz council chiefs or representatives of the Housing Departments depending upon local preference. All contracts are reviewed by the NIB prior to signature to ensure cost reasonableness. Supervising engineers are provided by the local contracting agency. Financial management and control responsibilities are those of the NIB. The NIB advances funds to the governorates on the basis of need. It controls funds by governorate but the governorates control funds by site and report cash needs and expenditures to the NIB by site. Contractor vouchers are paid by the financial officers of the governorate's education office. The NIB also sends staff to review the financial records maintained by the governorates and contract engineers to monitor construction at all sites. The USAID advances funds to the NIB on the basis of estimated cash needs for ninety days and liquidates expenditures on a monthly basis according to certified reports submitted by the NIB.

This system has worked well in four of the five governorates participating in the present Project. It has not worked in Assiut. The first indication of this was the fact that Assiut was falling badly behind the schedule of construction starts. Progress, in this regard, is regularly monitored by the

MOEd and preliminary inquiries into this problem pointed to long delays in the Housing Department over the evaluation of construction bids. Efforts by the MOEd and NIB to accelerate this process, however, surfaced a problem of cost overruns.

Cost overruns have been incurred on twelve Project financed sites in Assiut. The reasons for and amounts of these overruns vary. In some cases soil conditions required major foundation changes (e.g., the use of a raft foundation rather than isolated footings) and additional costs have been substantial. In others, there was initial confusion over what could be included in the contract (e.g., water main connections vs. a pump and tanks) and additional cost are minimal.

The critical problem, however, is that cost control over these sites was lost because the Assiut Housing Department failed to submit contracts and contract modifications to the NIB prior to execution. In not doing so, the Housing Department followed standard Egyptian contracting procedures which do not require outside review to determine reasonableness of cost but ignored explicit instructions from the NIB to the contrary.

To resolve the generic problem of cost control in Assiut, representatives from the NIB and MOEd have met with senior officials from the Housing Department, Education Zone and Governor's Office in Assiut to explain implementation procedures. The Governor and Education Zone Officials have also been encouraged to draw more heavily upon the capabilities of Markaz (county) level officials and engineers who, in other governorates, particularly Beheira, have done an outstanding job. To resolve the specific

problems of each site with cost overruns, the NIB has taken steps to initiate detailed studies to serve as the basis for determining cost reasonableness.

To ensure that similar problems do not develop in the governorates covered by the Amendment, the MOEd and NIB will make a concerted effort to explain implementation arrangements and requirements before funds are released. Such meetings have already been held with the governors of Fayoum and Sharkiya.

2. Instructional Equipment.

Under the present Project and previous CIP activities, instructional equipment was procured by the MOEd using the negotiated procurement procedures set forth in Section 201.23 of A.I.D. Regulation No. 1. Geographic Code 000 (U.S.) has set source and origin requirements. To date, the most serious problems encountered in these procurements have been accusations of non-compliance with U.S. source requirements traded back and forth among suppliers. To date none of these accusations have been substantiated. Generally speaking, however, most suppliers and the MOEd have expressed satisfaction with Section 201.23 procedures. These procedures will be followed again for the procurement of additional instructional equipment and materials under the Amendment. However, U.S. source and origin or nationality requirements will need to be waived in two cases.

First, sewing machines have proven to be a very popular item, especially among parents in Upper Egypt who see the home-making skills learned by their daughters in school as the most valuable part of the curriculum. Sewing machines, however, are not available from the U.S. In all previous procurements, therefore, U.S. source and transportation waivers were issued

for this item. (See Waiver Control No. NE 82-023 and COM/NEA No. 518 presented as Annex E) It is recommended that similar waivers be issued for the Basic Education Project Amendment.

Second, Arabic language audio-visual materials are required to obtain maximum utilization of the slide and overhead projectors procured under previous activities. To the best of the Mission's knowledge, there are no U.S. suppliers of such materials. Indeed, only one U.S. supplier, Denoyer-Geppert, has been able to furnish the Arab language maps required under previous activities and, while Denoyer-Geppert has begun to develop wall charts for science, they have not developed comparable filmstrips, slides and overlays. Appropriate materials, however, have been developed by the MOEd's Manshiet El Bakry Audio-Visual Center and can be produced by local suppliers under contract to the MOEd.

The estimated value of locally produced Arabic language audio-visual materials is \$200,000. The Mission Director has authority to approve source, origin and nationality waivers up to \$250,000. In approving the Project Amendment, the Mission Director approves, in principle, the waivers necessary to permit local procurement of Arabic language audio-visual materials. Following AID/W and Congressional approvals of the Project, HRDC/ET will seek formal waivers for this procurement from the Mission Director.

~~3. Research and Development.~~

~~(Pending further discussion with MOEd.)~~

3. Research and Development.

The purpose of this activity is to develop a management information program capable of monitoring the performance of the Egyptian educational system and assessing the relative effectiveness of inputs. To be of value, however, this program, and the findings it generates, must be used. To encourage this, R & D implementation arrangements rely heavily upon MOEd personnel because it is assumed that their participation in the development of the program will lead to its utilization.

Primary responsibility for implementing the R & D activity will lie with the Undersecretary for Education. This position, newly created within the MOEd, oversees all matters related to educational policy and programs, including management of the technical assistance contract funded under the present Project. The various tasks to be accomplished will be carried out by MOEd employees drawn from various offices within the MOEd at the discretion of the Undersecretary for Education. To the extent that they are required, outside consultants with expertise in such areas as input/output measurements, analytical programs, or information systems can be obtained through the existing technical assistance contract at the discretion of the Undersecretary. Project funds for this activity will be made available to the MOEd, through a Project Implementation letter (PIL) upon submission of an acceptable budget and implementation schedule.

Within existing Mission regulations as set forth in M.O. 3-10, this approach to implementing educational R & D requires special justification and the written approval of the Mission Director because Project funds will be used to pay MOEd employees.

Payments to Egyptian government employees are proscribed by M.O. 3-10 to protect A.I.D. from changes of favoritism or seeking undue policy influence. M.O. 3-10 recognizes, however, that Egyptian government employees may be in the best position to carry out activities which A.I.D. wishes to support for programmatic reasons and, therefore, sets certain conditions under which payment can be made to government employees for work which is in addition to their normal responsibilities. These conditions are: (a) the activity is of high priority to the U.S. Government; (b) the participation of governmental employees is an overwhelming necessity; and (c) the activity is accomplished in the shortest amount of time consistent with the nature of the task. The proposed R & D activity meets these conditions.

The goal of this R & D activity is to increase the MOEd's awareness of the educational system's performance. This concern lies at the core of Agency educational policy and is, accordingly, of high priority to the U.S. government. Similarly, the data bases to be used in this activity reside in the MOEd. Some of the required information, such as enrollment and attendance data, is public; some, such as examination results, is not. Only MOEd employees have access to the full range of information required for this activity. Hence, their participation is an overwhelming necessity. Finally, it is impossible to determine minimum time requirements. The thirty-one month

R & D schedule proposed in the Amendment's Implementation schedule is intended to accomodate the part-time nature of the work and the fact that much of it will occure during the summer months when other responsibilities are less pressing on MOEd employees. To comply with the intent of this condition, however, payments will be calculated on an hourly basis and reflect actual time worked. Levels of compensation will also be consistent with Government of Egypt regulations.

In approving the Amendment, the Mission Director formally approves an exception to M.O. 3-10 permitting payment to MOEd employees who participate in the educational R & D activity.

4. Impact Evaluation.

A life of project impact evaluation plan is a part of the present Project. This study seeks to assess the impact of Project financed construction on the problem of educational access; of instructional materials and equipment on student learning and attendance; and of technical assistance on MOEd decisions. The study's sample population is drawn from the five governorates included in the present Project and provision is made for the collection of baseline data, interim analyses and a final report.

The Amendment extends activites included in the present Project into new governorates and schools very much like those already covered. There is little like lihood, therefore, that the impact of these activities will differ significantly between the old and new governorates. Hence, the Mission

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The Amendment extends activities included in the present Project into new governorates and schools very much like those already covered. There is little likelihood, therefore, that the impact of these activities will differ significantly between the old and new governorates. Hence, the Mission believes that the existing evaluation plan is sufficient. Should a need arise, however, the Mission will adjust the existing evaluation plan and contract with Creative Associates to carry out additional impact studies. A balance of approximately \$100,000 exists in the present Project's evaluation budget for this purpose.

D. Implementation Schedule

The following table summarizes critical implementation events. A more detailed PPT Form is presented in Annex F. It is anticipated that A.I.D. financed activities will be completed mid-way through FY 1987. Classroom construction funded by the Government of Egypt, however, will continue through the second quarter of FY 1988. The PACD, therefore, will be extended from December 31, 1986 to June 30, 1988.

Summary Implementation Schedule

<u>FY/Quarter</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
<u>1983</u>				Grant Agreement Signed
Classrooms:				Starts: GOE 788
<u>1984</u>				Starts: AID 500
Classrooms:	CPs met	Starts: AID 250	Starts: AID 250 GOE 788	
Commodities:		RFQ issued	Bid Opening Negotiations	Awards CPs met L/Cs issued
R & D:		Sub-grant Agreement	Data/Software needs identified	
<u>1985</u>				
Classrooms:	Starts: AID 500	Starts: AID 500 Completions: GOE 788	Starts: AID 372 GOE 788	
Commodities:				Arrive Alexandria
R & D:	Data Base Compiled		Preliminary Analyses	Re-Analyses
<u>1986</u>				
Classrooms:	Completions: AID 250	Completions: AID 250 GOE 788	Completions: AID 500 Starts GOE 783	Completions: AID 500
Commodities:	Arrive Schools			
R & D			Final Reports	
<u>1987</u>				
Classrooms:	Completions: AID 500	Completions: AID 372 GOE 788		
<u>1988</u>				
Classrooms:		Completions: GOE 783		

Project performance will be monitored following procedures set forth in M.O. 3-26, "Portfolio Review" and M.O. 3-20, "Site Reports." M.O. 3-26 requires monthly reviews by the Project Officer and Office Director. These reviews are to identify issues or problems which will delay implementation by three or more months or affect projected expenditures by 25 percent or more. These reviews are also to identify actions necessary to correct or adjust for delays which are to be reported to the Associate Director/HRDC. M.O. 3-20, on the other hand, requires quarterly site visits. While each construction site will not be visited this frequently, each participating governorate will be. Visits to the MOEd in connection with Project financed commodities and educational R & D will occur more frequently.

Responsibilities for overseeing the construction and commodity activities will lie primarily with a FSN Project Implementation Specialist. Responsibilities for technical cooperation will lie primarily with a FS Education Officer. The Project will continue to be managed by the Office of Education and Training.

E. Financial Plan.

1. Estimated Costs.

The major item in the Amendment budget is the construction of classrooms. Under the present Project, the cost of classroom construction is shared by the Egyptian and American governments according to the following principle. The Government of Egypt finances the number of classrooms required to maintain existing enrollment levels in light of increasing population growth. The

United States, on the other hand, finances the number of classrooms required to raise six-year old enrollments to 83 percent and provide the additional space required to allow these children to flow through the basic educational system. This principle was covenanted in the original grant agreement and has been honored by the Egyptian government. It forms the basis for sharing additional costs included in the amendment.

The estimated number of classrooms needed to achieve enrollment targets is 5519. The number of classrooms allocated to each governorate and between the governments of Egypt and the United States are as follows:

<u>Governorate</u>	<u>Egypt</u>	<u>U.S.</u>	<u>Total</u>
Sharkiya	850	396	1,246
Giza	1,143	256	1,399
Beni Suef	302	372	674
Minya	403	775	1,178
Fayoum	<u>449</u>	<u>573</u>	<u>1,022</u>
Total	3,147	2,372	5,519

Cost estimates for these classrooms were developed using the implementation schedule detailed in Annex F, a classroom base cost of \$8226 (the average cost of existing contracts), and an annual inflation rate of 17 percent. These figures parallel those in the original Project budget. Inflation was not used in projecting commodity and educational R & D costs as the amounts included in the Amendment budget for these purposes represent the maximum level of funding being made available at this time. An exchange rate of U.S. \$1.00 = L.E. 0.83126 was used to convert Egyptian pounds to U.S. dollars. The source and use of Amendment funds are detailed in the following table.

Summary Cost Estimate and Financial Plan
Amendment No. 1
(\$ Million)

	A. I. D			GOE	Total
	FX	LOCAL	TOTAL		
1. Construction	0.0	19.5	19.5	25.9	45.4
2. Furniture	0.0	2.8	2.8	3.7	6.5
Sub-total	0.0	22.3	22.3	29.6	51.9
3. Materials and Equipment	9.8	0.2	10.0	0.0	10.0
4. Educational R & D	0.0	0.1	0.1	0.0	0.2
5. N.I.B. Support*	0.0	0.2	0.2	0.4	0.6
Sub-total	9.8	0.5	10.3	0.4	10.8
6. Inflation	0.0	12.5	12.5	18.0	30.5
7. Contingency	—	0.9	0.9	0.0	0.8
Sub-total	—	13.4	13.4	18.0	31.3
8. Total	9.8	36.2	46.0	48.0	94.0
	=====	=====	=====	=====	=====

*Financing for engineering and financial follow-up.

The relative cost of amendment outputs are summarized in the following table.

Costing of Amendment Outputs
(\$ Million)

Inputs/Outputs	Classrooms*	Equipment	R&D	TOTAL
A.I.D.	35.9	10.0	0.1	46.0
GOE	48.0	0.0	0.0	48.0
Total	83.9	10.0	0.1	94.0

*Includes construction, furniture, NIB support and contingencies.

Anticipated expenditures by fiscal year are summarized below:

Anticipated expenditures by fiscal Year
(\$ Million)

<u>FY</u>	<u>AID</u>	<u>GOE</u>	<u>TOTAL</u>	<u>Percent Disbursed</u>
83	0.0	0.0	0.0	
84	0.5	5.1	5.6	6
85	19.8	10.3	30.1	38
86	20.3	11.9	32.2	72
87	5.4	13.9	19.3	93
88	0.0	6.8	6.8	100
Total	<u>46.0</u>	<u>48.0</u>	<u>94.0</u>	

The following tables provide combined cost information for the present Project and its first Amendment.

Combined Summary Cost Estimate and Financial Plan
(\$ Million)

	A.I.D.			GOE	TOTAL
	FX	LOCAL	TOTAL		
1. Construction	0.0	37.1	37.1	48.1	85.2
2. Furniture	0.0	5.0	5.0	6.4	11.4
Sub-total	<u>0.0</u>	<u>42.1</u>	<u>42.1</u>	<u>54.5</u>	<u>96.6</u>
3. Materials and equipment	19.8	0.2	20.0	0.0	20.0
4. Technical Cooperation*	1.5	1.1	2.6	0.0	2.7
5. Evaluation	0.5	0.3	0.8	0.0	0.8
6. N.I.B. Support	0.0	0.5	0.5	0.8	0.3
Sub-total	<u>21.8</u>	<u>2.1</u>	<u>23.9</u>	<u>0.8</u>	<u>24.7</u>
7. Inflation	0.0	16.8	16.8	23.7	40.5
8. Contingency	—	2.2	2.2	0.0	2.2
Sub-total	—	<u>19.9</u>	<u>19.0</u>	<u>23.7</u>	<u>42.7</u>
9. Total	21.8	63.2	85.0	79.0	164.0
	=====	=====	=====	=====	=====

*Includes technical assistance financed under the present Project and the educational R & D included in the Amendment.
+ Financing for engineering and financial follow-up.

Costing of Combined Outputs
(\$ Million)

<u>Inputs/Outputs</u>	<u>Classrooms^a</u>	<u>Materials and Equipment</u>	<u>Technical Cooperation^b</u>	<u>Total</u>
A.I.D.	61.6	20.0	3.4	85.0
GOE	79.0	0.0	0.0	79.0
Total	140.6	20.0	3.4	164.0

(a) Includes construction, furniture, inflation, NIB support and contingencies.

(b) Includes TA, educational R & D and evaluation.

Projection of Expenditures by Fiscal Year
(\$ Million)

<u>FY</u>	<u>A.I.D.</u>	<u>GOE</u>	<u>TOTAL</u>	<u>Percent Disbursed</u>
82	1.5	4.5	6.0	4
83	13.2	9.2	22.4	17
84	18.6	15.4	34.0	38
85	25.5	16.3	41.8	64
86	20.8	12.9	33.7	84
87	5.4	13.9	19.3	96
88	0.0	6.8	6.8	100
Total	85.0	79.0	164	

To help ensure minimum costs, competitive procedures will be used to procure construction services and instructional materials and equipment. Such procedures, and a willingness to order re-bidding if initial offers seemed high, have served to reduce costs for these items under the present Project. At the same time, the estimated per student year cost of Project financed classrooms is \$12.00. For instructional materials and equipment the estimated per student year cost is less than \$1.50.¹⁰ It is the Mission's belief that such cost are reasonable.

2. Budgetary Considerations.

The Government of Egypt's contribution to the Amendment is 3,147 classrooms, the number required to maintain existing enrollment levels against population increases. The estimated cost of these classrooms is \$48.0 million spread over the five-year life of Project period. This level of financing requires no increase in the current level of MOEd investment in the five Amendment governorates. Indeed, if the current level is maintained over the life of the Project, there will be a surplus which can be invested in enrollment levels higher than the 83 percent target. The following table estimates MOEd investment levels in basic education for in the Amendment governorates on the basis of the 1982/83 budget.

<u>Governorates</u>	<u>Classrooms Required</u>	MOEd Investment levels (\$ Million)			
		<u>Estimated Cost</u>	<u>1982/83 Budget</u>	<u>Estimated LOP budget</u>	<u>Surplus</u>
Sharkiya	850	\$ 13.0	\$ 2.4	\$ 14.2	\$ 1.2
Giza	1,143	17.3	2.8	17.1	(0.2)
Fayoum	302	4.8	1.1	6.6	2.2
Beni Suef	403	6.2	1.1	6.4	0.2
Minya	449	6.7	1.8	11.0	4.3
Total	3,147	\$ 48.0	\$ 9.2	\$ 55.3	\$ 7.7

The MOEds basic education investment budgets for 1981/82 and 1982/83 include dramatic increases over the budgets of previous years. The initial increase, in 1981/82, coincided with new educational legislation and a greater official commitment to basic education. Government revenues in the coming years, however, are expected to decline as oil incomes contract. It is not possible, at this stage, to predict whether the government's current commitment to basic education will be sufficient to maintain the 1982/83 educational investment level against falling revenues and competing priorities. It is important to note, however, that the MOEd determines the allocation of educational investments. In this light, the most striking feature of the 1982/83 MOEd basic education investments budget for basic education is the geographical distribution of its resources. The 1982/83 MOEd budget for basic education was 7.3 percent larger than the previous year's budget but the increase for the five Amendment governorates was 56 percent.

This imbalance in favor of the Amendment governorates demonstrates a greater willingness on the part of the MOEd to target resources on problem areas than has existed in previous years. This tendency has been encouraged by studies carried out in connection with the school mapping exercise and it is expected that this tendency will insulate governorates targetted by the Project from the affects of declining investments if such a situation becomes critical.

The Government of Egypt will also covenant to provide teachers, books, maintenance and other items required to operate Project financed classrooms. While the total number of classrooms is large, the recurrent cost implications for the MOEd's budget are small, largely because teachers' salaries are relatively low.

Annual recurrent costs per classroom are approximately \$900. The cost of operating the 5519 Amendment financed classrooms, therefore, will add approximately \$5 million to the MOEd's operating expenses or 1 percent of the MOEd's current budget for salaries and other recurrent costs. The Mission believes this level of increase is manageable within the budgets of both the MOEd and the Government of Egypt.

The Mission also believes that the supply of teachers will meet Project needs. On an annual basis, Egypt's teacher training institutes graduate approximately 7,500 new teachers. These institues are located in each governorate and the governorates are, generally, self-sufficient in the production of teachers.

F. Conditions and Covenants.

The conditions and covenants regarding construction and instructional materials and equipment included in the present Grant Agreement will apply to these activities under the Amendment. These conditions and covenants appear as Annex G. The following conditions and covenants will apply to the educational R & D component of the Amendment.

1. Conditions.

Prior to any disbursement or to the issuance of any commitment documents for educational research and development under the

Grant, the Grantee shall, except as the parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.

(a) A Statement of the name(s) of the person(s) authorized to act on behalf of the Grantee for the purpose of educational research and development together with a specimen signature of each person so authorized; and

(b) An implementation plan including a schedule of events and budget for developing and testing a system of educational output measurements.

2. Covenants.

The Grantee shall covenant that it will provide A.I.D. with copies of all reports produced in connection with the educational research and development activity.

Notes

¹George Psacharopoulos, "Education as Investment," Finance and Development (September, 1982), p. 41.

²Samir Lewis Saad, "Dropout from Primary Education," (Cairo : National Center for Educational Research, March 1980), p. 65.

³"Some Issues in Population and Human Resource Development in Egypt," World Bank Report No. 3175-EGT, p. 118.

⁴Projections based on MOEd enrollment and classroom statistics for 1979 and the following assumptions: (a) an annual increase in the MOEd's investment budget of eight percent; (b) annual population growth rates of 2.5 percent; (c) 45 children per classroom at the primary level, 40 per classroom at the preparatory level; and (d) no change in dropout rates. In recent years, dropouts from grades 1-6 have averaged 3.4, 2.5, 2.9, 4.9 and 5 percent respectively. A drop-out rate of 1.5 percent annually was assumed for grades 7 and 8.

⁵Ministry of Education, "Working Paper Concerning the Development of Education in Egypt," (Cairo: September, 1979). A brief chronicle of events surrounding the "Working Paper" and basic education reforms was included in the original PP and is repeated as Annex B.

⁶Law No. 139 of 1981 on Education. Chapter II of this law deals directly with the basic education stage and is presented as Annex C.

⁷The present school design is a "L" shaped structure which predates the basic education reforms. Classrooms are located in the vertical leg of the "L"; offices, faculty WCs, storage areas and staircases in the horizontal leg. Student WCs are in a separate building which also houses a prayer room (four meters square). In some cases, this design has been adopted to the more practical nature of the basic education curriculum by moving internal walls between ground floor classrooms to accommodate "workshops". The present TA contract includes a thorough review of this basic design, one which will look at alternate arrangements of teaching-learning space as well as construction materials and techniques. This review will begin early this summer.

⁸See Annex D, p. 3

⁹For example, the original construction budget was based upon an estimated per classroom cost of LE 5000 and 17 percent annual inflation. This leads to an estimated per classroom cost in 1983 of LE 6,845. The actual average value of classrooms under construction in 1983 is LE 6,800, roughly equal to the projected cost.

¹⁰These estimates assume: (1) classrooms have a life expectancy of 20 years and an average occupancy rate of 45 children annually; and (2) instructional equipment has a life expectancy of 5 years and will reach approximately 1.5 million children yearly.

EDUCATION REFORM IN EGYPT:
1979 - 1981

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

Late in 1978, however, the MOEd requested the Mission to consider increasing the level of U.S. assistance to education. After additional discussions with the Ministry and consultations with AID/W in early 1979, the Mission decided to proceed with the development of a more coordinated and targeted educational program. At the primary level, this program was to focus on expanding enrollments, particularly among rural youth and girls, and increasing the relevance of education to these same children.

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

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

Among its major problems, the report cited:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Excerpt from Law No. 139
of 1981 on Education

CHAPTER TWO
THE BASIC EDUCATION STAGE

ARTICLE FIFTEEN: Basic education is a right for all Egyptian six-year olds; and the State is committed to giving them access to it; parents and guardians are under an obligation to implement it over nine school years. The governors, each in his own jurisdiction, undertake to issue the regulations necessary for implementation of compulsory schooling as far as parents and guardians at the governorate level are concerned. They also issue regulations governing the distribution of compulsory school age children in the various basic education schools in the governorate; and in case there are places for more students, six months less than the compulsory schooling age may be overlooked, provided the assigned number of students per class is not tampered with.

ARTICLE SIXTEEN: Basic education aims at developing the abilities and aptitudes of students, satisfying their inclinations and providing them with the necessary amount of values, behavioural codes, knowledge and practical and vocational skills that are in harmony with the conditions in their respective environments, so that it may be possible for a person who completes the basic education stage to continue his education in a higher stage or to face life after an intensive vocational training; the aim thus is to prepare the individual for becoming a productive citizen in his own environment and community.

ARTICLE SEVENTEEN: The following aims are to be achieved in the Basic Education Stage:

- Emphasizing religious and national education, as well as the teaching of good manners and sports in the various years of study.
- Emphasizing the relation between education and productive work.
- Establishing a closer link with the environment through diversifying practical and vocational areas in accordance with the circumstances of the local environment and demands of its development.
- Achieving integration between the theoretical and applied aspects of the syllabi, study plans and curricula.
- Linking education with the lives of the rising generation and the realities of the environments they live in so that the relation between learning in theory and the applied aspects is highlighted, provided the environment and socio-economic activities therein are among the major sources of knowledge, research and activity related to the various subjects of study.

ARTICLE EIGHTEEN: A two-session examination shall be held at governorate level by the end of the basic education stage; successful candidates shall be granted a "Basic Education Certificate" and the Minister of Education, following approval of the Higher Council of Education, shall issue a decree embodying the system of that examination. And anyone who completes the basic education term but does not sit for the Certificate Examination or fails it is given a document by the Educational Directorate attesting to completion of compulsory education term.

And a decree by the Minister of Education shall define the system, regulations governing success and chances of failing and repeating with regard to promotion examinations, following approval by the Higher Council of Education.

ARTICLE NINETEEN: If a child fails to show up at school in the specified time, or attend regularly for ten consecutive or intermittent days for no reasonable excuse, the school headmaster must send written notice to his father or guardian, as the case may be; such notice shall be signed by the father or guardian and in case they are away or refuse to receive that notice it shall be delivered to the Mayor, local police station, central police station or district police station so as to be handed to the child's father or guardian; and if the child does not come to school within a week of the date of receiving that notice, or if he recurs to absence for unacceptable reasons, his father or guardian shall have violated the stipulations of this law and shall be subject to the punishments specified in ARTICLE TWENTY-ONE of this Law.

ARTICLE TWENTY: Headmasters of Basic Education schools and members of supervision and technical orientation staffs in the educational departments who may be appointed by the competent governor are authorized as legal officers in implementing the compulsory education statute.

ARTICLE TWENTY-ONE: The father or guardian of a child shall pay a ten-pound fine if that child fails to come to or absents himself from school for no acceptable excuse within a week of receiving the notice referred to in ARTICLE NINETEEN above of this Law.

This fine shall be repeated and the punishment shall recur if the child still fails to attend or is absent again without an acceptable excuse after giving notice to his father or guardian.

TARGET GROUPS AND AREAS

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

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

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

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

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

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

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

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

^aGeneral Census, 1979.

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

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

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

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

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

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

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

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

JUL 30 1982

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR, NEAR EAST BUREAU

FROM: SER/COM, William C. Schmalzer, Jr.
s/ W. C. Schmalzer, Jr.

SUBJECT: Request for Procurement Source/Origin Waiver

Problem: To seek your approval for a Procurement Source/Origin Waiver from A.I.D. Geographic Code 000 to A.I.D. Geographic Code 941 for the procurement of the commodities listed below.

- (A) Cooperating Country : Arab Republic of Egypt
- (B) Authority : A.I.D. Grant 263-0139
- (C) Program : Egyptian Basic Education Grant
- (D) Nature of Funding : Grant
- (E) Description of Goods: 2,000 Sewing Machines, 220V/50Hz
with attachments and accessories
- (F) Approximate Value : \$270,000
- (G) Probable Source : Brazil

Discussion: In 1980, the Egyptian Ministry of Education (MOE) received a CIP allocation of approximately \$7 million for the procurement of basic educational materials for elementary schools. The materials consisted of between 9 to 15 line items in 13 different categories such as food industry, dairy, woodworking, social science, etc. The procurement was so successful and the materials were so well received that the MOE requested additional funds the following year for two more procurements of similar items. The latter procurements were expanded from not only providing educational materials for the elementary schools but now includes materials for preparatory schools.

Early last year, a \$45 million Basic Education Grant was authorized to assist the Government of Egypt in reducing the discrepancies in the basic education sector through construction of new schools, providing teacher training, and providing teaching materials. Given the success of the past procurements of educational materials under CIP financing, the MOE is making funds available under this grant to provide additional educational commodities to expand upon the existing program. In a SER/COM review of the specifications we have noted that the new requirements contain one item that requires a source/origin waiver approval by AID/W. The items, 2,000 electric sewing machines with accessories, are basically identical to the 1,800 that were purchased in the previous basic education procurements.

The justification for this waiver remains the same as the justification used in earlier waivers, the machines are not available from the United States. This justification meet the waiver criteria as set forth in A.I.D. Handbook 1, Supplement B, Chapter 5B4b(2).

Recommendation: SFR/COM recommends that a Source/Origin Waiver from A.I.D. Geographic Code 000 to A.I.D. Geographic Code 941 be approved for this procurement.

Approved W. Antoinette Ford

Disapproved _____

Date 04 AUG 1982

Attachments:

- Waiver No. NE 80-024
- Waiver No. NE 81-036

Clearances:

- COM/NE: R T Cooper. *R.T. Cooper 7/27/82*
- COM/CPS: W Von Spiegel (draft) _____
- GC/CCM: K Fries _____
- NE/E: G Gower (phone) _____
- DAA/NE Blingma* _____

Drafted by: COM/NEA:MMcDaniel:cys:7/27/82 - Ext. 235-8908

ACTION MEMORANDUM FOR THE DIRECTOR, Office of Commodity Management
Agency for International Development
Washington, D.C. 20523

Logan

FROM: Acting Chief, Transportation Support Division
Office of Commodity Management
Agency for International Development
Washington, D.C. 20523

Problem: Request for transportation source waiver from Geographic Code 000 to permit financing transportation costs on a Code 899 flag vessel.

- a. Cooperating Country : Egypt
- b. Authorization : 263-013910
- c. Project : Egyptian Basic Education Grant
- d. Cargo Description : Sewing Machines
- e. Cargo Weight/Cube : 89,000 lbs./2,800 cu. ft.
- f. Freight Cost : \$9,600
- g. Carrier/Flag : Zim Lines/899
- h. Port/Date of Loading : Keelung, Taiwan/March 21, 1983
- i. Shipper : Maison International Ltd.
- j. Port of Discharge : Alexandria
- k. Attachment : (A) Letter from supplier dated Feb. 10, 1983
(B) Procurement Source/Origin Waiver No. NE 82-023
(C) L/COM No. 263-013910

Discussion: Maison International Ltd. requests an ocean freight waiver to ship the above cargo from Keelung to Alexandria by AID Code 899 foreign flag vessel with the freight costs paid from AID funds. Procurement Source/Origin Waiver No. NE 82-023 approved purchase of these sewing machines from an AID Code 941 supplier. There is no regularly scheduled U.S. flag service from Keelung to Alexandria, Egypt. This has been confirmed by COM/TS. The supplier has been informed by COM/TS that AID will not finance freight charges in excess of those established in the contract or those actually incurred, whichever is less.

Section 7B of Supplement B, Handbook 1 provides that under these circumstances, SER/COM may waive the limitations as to eligible transportation costs contained in the authorization and approve financing the costs of transportation on a Code 899 flag vessel. The interests of the U.S. are best served by permitting financing of transportation service on an ocean vessel under flag registry of a free world country other than the cooperating country and countries included in Code 941.

Recommendation: That you approve the requested waiver under Redlegation of Authority No. 40.4.

Approved: *[Signature]* Date 22 Feb 83

Disapproved: _____

Attachments: a/s

Clearance:

COM/NEA:RTLooper *Q7/ 18 Feb 83*
COM/NEA:MMcDaniel *[Signature]*
NE/EI:GFGower (Info) *TP*

- cc: M/AAA/SER
- FM/BFD
- COM/NEA
- NE/EI
- USAID/Cairo ✓
- Maison International Ltd.
- COM/SE
- SER/COM

PPT FORM
(May be Expanded as Appropriate)

Country: Egypt	Project No: 263-0139	Project Title: Basic Education: Amendment 1 (Page 1)	Date: 5/83	<input checked="" type="checkbox"/> / Original <input checked="" type="checkbox"/> / Revision #	PPT appr
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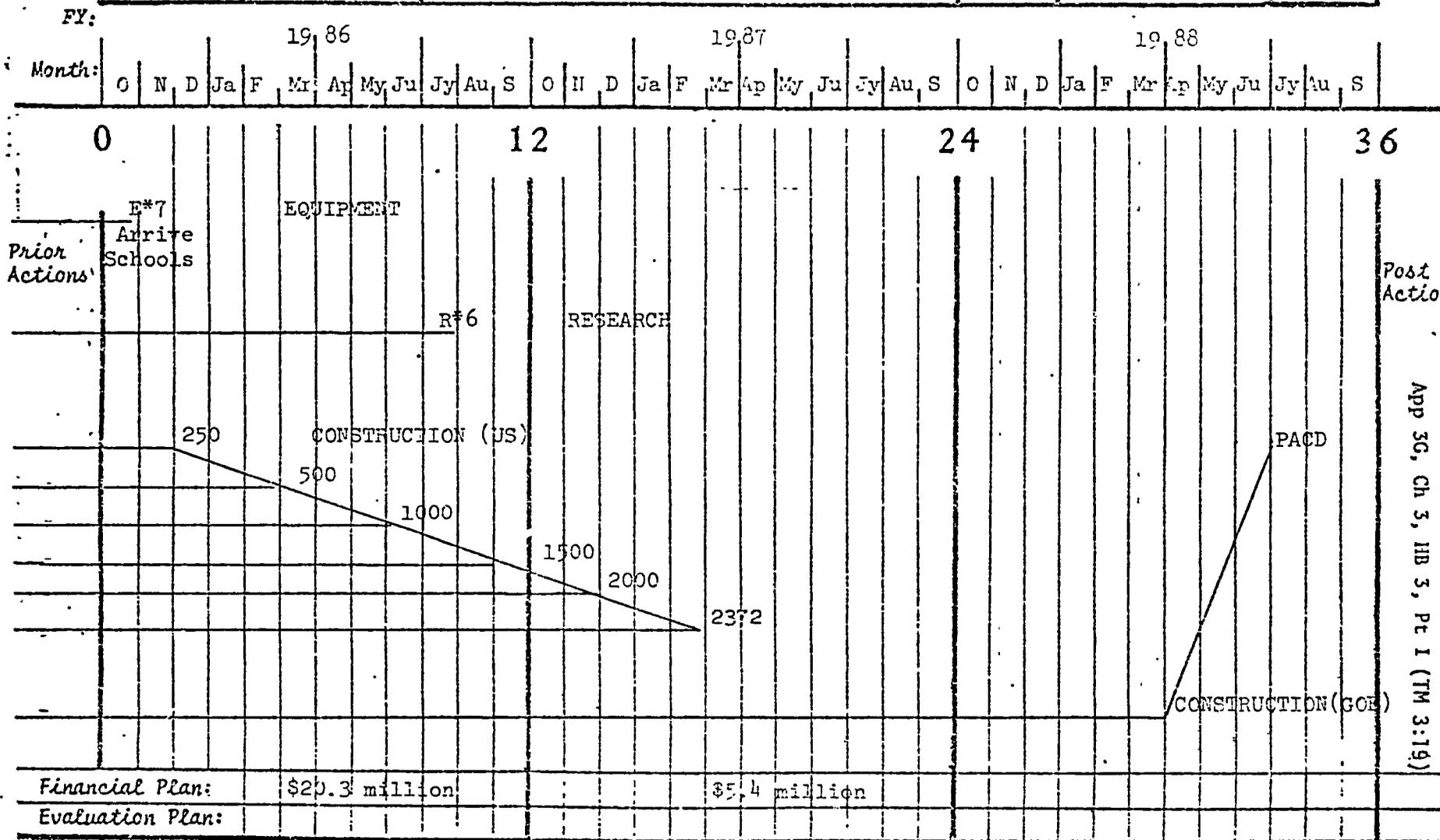
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<i>Prior Actions</i>	EQUIPMENT																																			
						E*1 RFQ					E*2 Open Negotiate					E*3 Awards CPs					E*4 I/Cons					E*5					E*6 Arrive Alexandria					Post Action
	RESEARCH																																			
						Grant Agreement					R*1 CPs					R*2 Needs					R*3 Compiled					R*4 Analysis					R*5 Re-analysis					
CONSTRUCTION (US)																																				
					C*1 CPs					C*2 Advertise 250 classrooms					500					500					500					372						
CONSTRUCTION (GOE)																																				
					788					788(1576)					788(2364)																					
Financial Plan:												\$0.5 million												\$19.8 million												
Evaluation Plan:																																				

PROJECT PERFORMANCE NETWORK

PPT FORM
(May be Expanded as Appropriate)

Country: Egypt	Project No: 263-0139	Project Title: Basic Education: Amendment 1 (Page 2)	Date: 5/83	/ x / Original / / Revision #	PPT app
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PROJECT PERFORMANCE NETWORK

BASIC EDUCATION PROJECT
CONDITIONS AND COVENANTS

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

A. Conditions Precedent to Disbursement.

1. First Disbursement.

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

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

b. Such other documentation as AID may reasonably request.

2. Additional Disbursement.

a. Technical Assistance.

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

b. Instructional Materials and Equipment.

Prior to any disbursement or to the issuance of any commitment documents for instructional materials and equipment under the Grant, the Grantee shall, except as the Parties may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID an executed contract or contracts for instructional materials and equipment acceptable to AID.

c. Construction.

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

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

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

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

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

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

B. Covenants.

The Grantee shall covenant that it will:

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

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

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

Drafted:EDU:KSchwartz/ am 0334E

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title & Number: Basic Education (263-0139): Amendment 1

Life of Project:
From FY 81 to FY 86
Total U.S. Funding \$85.0 million
Date Prepared: May, 1983

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Program or Sector Goal: The broader objective to which this project contributes:</p> <p>Enhance government efforts to improve the physical quality of life.</p>	<p>Measures of Goal Achievement:</p> <p>Literacy rates among rural youth increased.</p>	<p>Census data External project evaluation</p>	<p>Assumptions for achieving goal targets:</p> <p>Literacy is a BHN impacting favorably on the physical quality of life. Formal primary education is an effective source of literacy training.</p>
<p>Project Purpose:</p> <p>Expand enrollments and increase the efficiency of primary/basic education.</p>	<p>Conditions that will indicate purpose has been achieved: End of project status.</p> <p>Enrollments of six-year olds in target areas increased to 85%. Educational commodities used in classrooms. System for measuring educational outputs developed. Educational planning and cost analysis studies. In-service teacher training program developed.</p>	<p>Education Zone enrollment and attendance reports Baseline and progress data collected through external evaluation TA contractor reports and studies</p>	<p>Assumptions for achieving purpose:</p> <p>Classroom shortages constrain enrollments. MOEd will staff, equip and maintain Project classrooms. Relevant, practical materials and equipment will enhance learning.</p>
<p>Outputs:</p> <ol style="list-style-type: none"> 1. Classrooms 2. Technical Cooperation 3. Educational commodities 	<p>Magnitude of Outputs:</p> <ol style="list-style-type: none"> 1. Approximately 5,270 classrooms constructed. 2. Approximately 300 person-months plus sub-activities. 3. Instructional materials and equipment for approximately 7000 schools. 	<p>Education Zone and MOEd status reports. WIB Financial and Site Visit Reports Contractor Reports External evaluation</p>	<p>Assumptions for achieving outputs:</p> <p>Adequate administrative capacity in NIB, Housing Departments, Education Zones and MOEd. Adequate supplies and timely delivery of construction materials.</p>
<p>Inputs:</p> <p>USAID Grant GCE Contribution</p>	<p>Implementation Target (Type and Quantity)</p> <p>\$85.0 million 79.0 million \$164.0 million</p>	<p>USAID Financial Records GCE, MOEd and NIB Reports.</p>	<p>Assumptions for providing inputs:</p> <p>GCE investment in basic education sufficient to keep pace with population growth. Acceptable list of instructional materials and equipment. Acceptable school designs. Community donated or GCE purchased building sites.</p>