

**HIGHER EDUCATION ENHANCEMENT PROJECT**  
**Loan No. 4658-EGT**

**INTERNATIONAL BANK FOR RECONSTRUCTION & DEVELOPMENT**

**MID-TERM REVIEW MISSION**

**June 18 – 30, 2005**

**AIDE-MEMOIRE**

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## ABBREVIATIONS

BOT	Board of Trustees
ETCP	Egyptian Technical Colleges Project
ETCs	Egyptian Technical Colleges
EUN	Egyptian Universities Network
FfEE	Fund for Enhancing Education
FLD	Faculty Leadership Development
FLDP	Faculty Leadership Development Project
FMR	Financial Monitoring Reports
FoE	Faulty of Education
FoEP	Faulty of Education Project
GOE	Government of Egypt
HEEP	Higher Education Enhancement Project
HEEPF	Higher Education Enhancement Project Fund
ICDL	International Computer Driving License
ICT	Information and Communication Technology
ICTP	Information and Communication Technology Project
INFCS	Information and Computer Services
IQA	Institutional Quality Assurance
IT & DL	Instructional Technology and Distributed Learning
LC	Letter of Credit
MCIT	Ministry of Communication and Information Technology
MIS	Management Information System
MOHE	Ministry of Higher Education
MTI	Middle Technical Institutes
NQAAA	National Quality Assurance and Accreditation Agency
PAU	Projects at universities
PMU	Project Management Unit
QA	Quality Assurance
QAAP	Quality Assurance and Accreditation Project
RFP	Request for Proposals
SCU	Supreme Council of Universities
TA	Technical Assistance
TCCs	Technical College Councils
UPMU	University Project Management Unit
USAID	United States Agency for International Development
WHO	World Health Organization

## HIGHER EDUCATION ENHANCEMENT PROJECT

### Mid-Term Review June 18-30, 2005

#### Introduction

1. According to the Terms of Reference dated June 9, 2005, a World Bank mission led by Mr. Mahmoud Gamal El Din, Task Team Leader of the Project, conducted a Mid-Term Review of the Higher Education Enhancement Project (HEEP) during the period June 18 – 30, 2005. The mission reviewed with the Government/MOHE the current status of project implementation, evaluated overall progress made against project developmental objectives and performance indicators, and agreed on actions to ensure timely implementation and completion of the project. The mission comprised: Mr. Arun R. Joshi, Senior Education Specialist and Egypt Education Cluster Leader, Ms. Mona Zikri, Education Specialist, Mr. Ghassan Al Khoja, Senior Information Officer, Ms. Alenoush Saroyan, Higher Education Specialist (Consultant), Mr. Samih Mikhail, Higher Education Specialist (Consultant), Mr. Mohamed Yehia, Financial Management Specialist, and Ms. Mona Ezzat, Team Assistant from the Cairo Office.
2. During the mission, meetings were held with H.E. Dr. Amr Salama, Minister of Higher Education, Dr. Mohsen Elmahdy, Executive Director of the PMU and the directors of the six subprojects: Dr. Galal Abdel Hamid (HEEPF), Dr. Mohamed El Said (ETCP), Dr. M. Shiera (ICTP), Dr. Nadia Badrawy (QAAP), Dr. M. Hafez (FLDP) and Dr. Ahmed Heggy (FOEP). The mission also conducted visits to five universities (Helwan, Ain Shams, Assiut, Alexandria and Zagazig) and three technical colleges (Quesna, Port Said and South Valley) and met with the teams of the different sub-projects. The mission also visited the locations of the University PMUs (UMPU), Faculty Leadership Development and Quality Assurance centers at each university and inspected the documentation system at each UPMU. The mission would like to express its appreciation to His Excellency, the Minister, the PMU, technical colleges and universities' teams, and officials at the Ministry of Higher Education for their cooperation and hospitality.

#### Summary of Achievements

3. The project has made considerable progress towards its development objectives. The project has been under implementation for almost three years (since effectiveness on July 29, 2002) and will close on December 31, 2007. As of May 31, 2005, the project disbursed US\$14.7 million, i.e., 29.4% of the US\$50 million loan, and commitments have exceeded US\$25 million, i.e., more than 50% of the loan. The mission noted that US\$11 million of the above amount was disbursed within the last eight months (since October 2004). With this rate of disbursements (which is expected to be sustained given that all activities are under implementation and no major risks are foreseen), the project is expected to fully disburse the project funds before the closing date.
4. The mission team recognizes the considerable progress made in various sub-components of the project since the last supervision mission in October 2004, including the FOE and ICT components. The project has already engendered a very conducive context in higher education institutions for improvement in quality and efficiency through the execution of competitive

grants (HEEPF); faculty leadership development (training) program (FLDP); quality assurance projects (QAAP); and consolidation of the MTIs into TCs. These achievements are noted in detail below in the respective sections of the sub-components. Under the PMU's direction, the third semi-annual report for all components have been submitted to the mission (archived at the World Bank as supporting documents of this Aide-Memoire). The reports substantiate the achievement of all the milestones listed in the last Aide-Memoire, except for the implementation of the legislation and rationalization of the funding mechanisms in higher education (see details below).

5. The improvement in the implementation progress is due to a number of key factors. First and foremost is the leadership of His Excellency, Minister Amr Salama and his genuine interest in following the progress of this project and his interest in ensuring its proper implementation. A second factor is the close collaboration of the project directors at the level of the PMU, which is greatly facilitated by the new and well-equipped physical facilities that have made it possible for the PMU director, project sub-component directors, financial officers, and their respective teams to operate under one roof. Third is the competence and commitment of a core group of individuals (identified through a process of consultations between the Universities, the Supreme Council of Universities and the MOHE) who are leading the HEEP sub-components and their counterparts in academic institutions including university senior administrators, UPMU directors, and ETC board members. Fourth is the level of interest that the project has generated in the academic community and this is being sustained by the immediate benefits which individuals and institutions have begun to reap from active participation in and contribution to HEEP.
6. The mission is pleased to note that specific steps are being taken to ensure the sustainability of HEEP initiated activities beyond the life of the project. Examples include, but are not limited to: (i) the creation of the Fund for Educational Enhancement (FfEE), modeled after the HEEP Fund (HEEPF), to support developmental initiatives at all levels of education; (ii) the decree to establish the National Quality Assurance and the Accreditation Agency (NQAAA) (which is expected to pass in the parliament in the near future) and the establishment of Institutional Quality Assurance (IQA) Centers that are already fully functional in each institution; and (iii) the establishment of the Faculty Leadership and Development Units in universities that are going to be supported by institutional budgets as of 2005-2006, enabling HEEP-FLDP to channel its resources toward new and emerging training and development needs.
7. Overall, the sense of ownership and competitiveness within HEEP initiated subprojects is palpable on campuses. The mission believes that if the same pace of progress is sustained, the likelihood of attaining and even exceeding project development objectives is very high.
8. This positive outlook, however, must not eclipse a number of important issues that could hinder the success of HEEP. The most important of these are highlighted below.
  - a. Reform of the legal framework: The mission is cognizant of the significant amount of preparatory work undertaken toward reforming the legal framework and appreciates the contextual factors that may have delayed this process in the past. The mission is encouraged to know that His Excellency, Minister Amr Salama, is aware of the need to reform the legal framework without which the impact of many of the enhancement steps taken to date will be minimized. The possibility of seeing changes in place by December 2005 is very encouraging.

- b. Implementation of a monitoring and evaluation system: Monitoring and Evaluation (M&E) activities have become an integral part of the HEEPF, FLDP, and QAAP. However, the MOHE has yet to establish a robust M&E system to monitor overall project progress and evaluate impact. The mission is pleased that a consultant is being hired to establish such a system. Furthermore, the desire of His Excellency to implement an independent impact assessment signals the necessity of having in place an on-going, rigorous monitoring and evaluation process. The outcome of this activity will yield data that can be used to assess impact of the HEEP subprojects.
  - c. Learning from international best practices: In this age of globalization, it is important to benchmark all activities against international best practices. This can only be done through direct interaction with international experts via technical assistance (TA), study tours, participation in and contribution to regional and international events. The mission recognizes that investments in this regard must be made with great caution so as to reap maximum benefits for enhancing the higher education system. However, the mission finds that the capacity of HEEP to finance such activities is underutilized. The mission and the MOHE/PMU have agreed to use every opportunity, through HEEP and other international programs that fund such initiatives, to bring the Egyptian academic scene closer to international best practices. For example, there is a need to recruit an international expert to provide advice on developing resources for the e-library. His Excellency Dr. Amr Salama has agreed that expert TA is crucial for developing the higher education system and should be acquired (as needed) in order to bring the Egyptian academic scene closer to international best practices.
  - d. Integration of activities and alignment with institutional missions: In order for HEEP supported subprojects to have the intended impact on quality, the mission has agreed with the MOHE/PMU that it is imperative that horizontal links between them be strengthened, and alignments ensured with the strategic plans of the universities. One example of forging links is to apply standards developed by the QAAP to evaluate the impact of HEEPF funded projects on quality. Successful integration is currently happening at some institutions, for instance at the University of Alexandria. What is particularly impressive in this University is the degree to which HEEP and other projects are being integrated with and linked to the institution's strategic plans and also across boundaries with other universities. Better integration also necessitates harmonizing implementation of the HEEP subprojects by ensuring common reporting requirements (as some have been found to be excessive in terms of reporting requirements, leading to slower pace of implementation), as well as (where possible) common and integrated payment and financial management procedures.
9. Broader issues noted above as well as the component specific issues noted below in this Aide-Memoire have been discussed with the key counterparts in the MOHE and the PMU and follow-up actions are noted in Annex 1. A set of key milestones are indicated, which will be evaluated during the next supervision mission. The evaluation of performance in achieving the milestones will inform decisions to be taken with the Government of Egypt (GoE) during the next supervision mission on adjustments to be made. While implementation progress of all subprojects is currently satisfactory, the next supervision mission will assess the need to re-allocate resources from sub-components with less demand to those with greater demand.

## **Component Progress, Issues and Agreed Actions**

### **Component 1: Improve efficiency through the reform of governance and management**

10. The overall purpose of this component is to support the Government's efforts to restructure governance (towards greater autonomy of the universities) and management practices in order to improve sector efficiency and quality (including rationalizing funding allocations, improving quality assurance mechanisms, and establishing competitive fund).

### **Reforming legislation governing higher education and rationalizing funding allocation mechanisms**

11. Progress on this sub-component has been significant since the change in Cabinet and the appointment of the new Minister of Higher Education, Dr. Amr Salama. Since the last supervision mission, the Minister has formed a national committee to overlook the creation of a unified legislative framework that takes into consideration new forms of public, private, and non-profit fees for education, research and development for higher education institutions, quality assurance and accreditation related issues, as well as technical education. In addition, the new legislation emphasizes as an outcome of HEEP implementation, the following three entities to be part of the organization structure of Egyptian universities: (a) Project Management Unit and International Cooperation, (b) Quality Assurance and Performance Development Center, (c) Faculty-Leadership Development Center. The structure also envisages formal implementation mechanisms for financial and administrative management to ensure sustainability and to foster quality development as well as accountability.
12. The national committee has finalized the first draft of the new legislative framework and it is now ready to undergo endorsement by all stakeholders concerned with the reforms at the higher education level in Egypt. Institutional autonomy, the process of appointing senior academic administrators, selection and recruitment of faculty and their remuneration comprise the cornerstones of this draft legislation. However, because the new legislative framework contains salary structures that require provisional clearance from the concerned government authorities, high level discussions with the Prime Minister and the concerned ministers are currently ongoing to ensure adequate funding sources for the new legislation. After this issue is resolved, hearing sessions will be conducted and the new legislation will be widely distributed for country-wide discussions and endorsement by all concerned stakeholders.
13. No initiatives have yet been taken to rationalize funding allocation for higher education institutions, as these reforms are contingent upon the broader legislative changes noted above, which are in process of being finalized. University budgets are still determined through direct negotiations between the university presidents and the Ministers of Planning and Finance. Budgetary practices offer no incentives for sound management.

### **Next Steps**

- It was agreed that legislative reform remains one of the main cornerstones of the HEEP and must be pursued vigorously and within the timeframe of the project to ensure impact on quality and sustainability. The mission was informed that new draft legislation covering all higher education institutions including public and private universities, technical and other higher institutes has been prepared and is expected to be presented to the Parliament by December 2005, after the presidential elections.

- It was also agreed that the Technical Assistance required to develop a system of allocating resources in higher education institutions will be acquired immediately after the legislative reforms are completed.

### **Establishing a National Quality Assurance and Accreditation Agency (NQAAA)**

14. This sub-component supports the establishment of the NQAAA. The concept of quality assurance (QA) was introduced in the higher education system in Egypt through the HEEP project. The NQAAA (which is expected to become a legislation within 6 to 9 months) is expected to have considerable autonomy and will establish a performance standard and a benchmarking system for both universities and the Technical Colleges. Through this project, Quality Assurance (QA) is being mainstreamed through the establishment of a Quality Assurance Center at the university level. A core group of faculty in each public university has already been appointed to spearhead QA related activities locally through a QA center.
15. Despite several changes in the core membership of the committee at the outset and a prevailing skeptical and unreceptive attitude toward quality assurance in the academic community, this sub-component is now being implemented successfully.

The Quality Assurance and Accreditation Handbook for Higher Education in Egypt, with TA from the British Council, has been printed and widely disseminated; extensive awareness and publicity campaigns have reached over 2000 faculty members, students, donor agencies, professional organizations, and members of the academic community through seminars and conferences in all 12 universities; media events and a comprehensive website ([www.qaap.net](http://www.qaap.net)) have further promoted the awareness of the activities of QAAP. The development of academic reference standards and indicators of performance has been initiated at the sector level and 6 sectors<sup>1</sup> are about to complete this task. Capacity building workshops<sup>2</sup> have been implemented, reaching 2933 faculty members (8.4% of the total number) and 2377 students in all universities. 2 cycles of QAAP have taken place and as a result, 113 projects out of 153 submissions have been selected to support initiatives in strategic planning, the establishment of internal quality assurance centers and structures, and the development of academic references. QAAP has participated in and contributed to regional development of QA by inviting Palestinian and Saudi Arabian directors of QA councils to visit Egypt and by forging ties with international QA organizations through study tours<sup>3</sup>, by participating and presenting papers about the Egyptian experience at international QA conferences<sup>4</sup>, and by connecting with and utilizing resources available through the British Council and USAID and other funding organizations.

16. Major challenges still confront the QAAP as the concept of Quality Assurance is gradually embraced by the higher education community and related practices are instilled, albeit slowly, in institutions. There is still considerable resistance among some academic leaders and faculty members to fully embrace QA practices. Even those who have taken an active role in

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<sup>1</sup> The sectors include: Basic Sciences, Engineering, Agriculture, Pharmacy, Nursing, and Home Economics. Medicine is carrying out the same task independently.

<sup>2</sup> These include: QA concept, Implementing Internal Quality Assurance System; Peer-reviewing Process, Project and Financial Management; Strategic Planning; Developing Program and Course Specifications based on standards; Monitoring and Evaluation.

<sup>3</sup> Three members of QAAP were able to visit the U.S. and Peru. Funding for the latter was secured from USAID.

<sup>4</sup> Two QAAP committee members presented at conferences in Hong Kong and New Zealand.

advancing QA will require time and experience to develop a comprehensive understanding of the concept in order to make it a functional approach (part of this learning is to remain abreast of QA developments internationally).

17. There is also a considerable amount of both real and perceived difficulties regarding the funding aspect of QA related activities. Equipment purchased under QAAP projects are being funded jointly by the HEEP (75%) and the MoHE (25%) and this sharing is regarded as the first step in transferring the responsibility of the operations of QA activities to institutions. This arrangement is, so far, not functioning well as the HEEP funds (75%) are available at the UPMUs while the counterpart funds are available centrally at the MOHE. Payment from the UPMU is made to vendors immediately while payment from the MOHE takes time and delays the procurement process (up to 3 months for the transfer of funds from the MoHE). Another source of difficulty is the unreasonable amount of paperwork demanded of project recipients. An example is the demand to sign monthly contractual agreements for all staff working on the different projects.

#### Next Steps

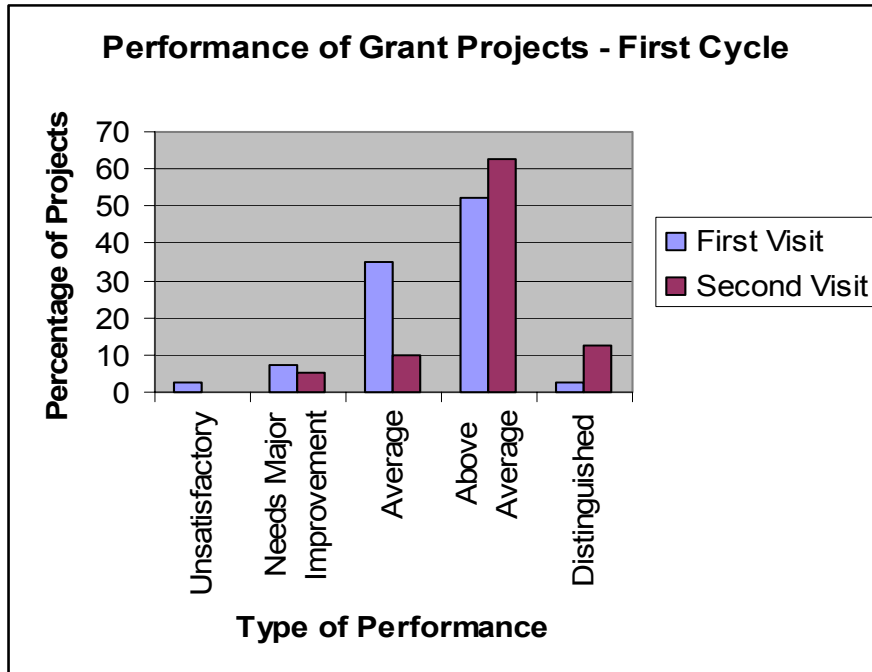
- It has been agreed that QAAP and IQAs will complete the development of Academic Reference Standards in 8 sectors with agreed technical assistance and that sectors begin implementing them in their QA process. Moreover, QAAP will initiate a systematic, robust, and simple system to monitor and evaluate the impact of funded projects in QA. These activities will be completed by December 2005.
- It has been agreed that QAAP will actively pursue strengthening links with the international QA community through technical assistance, study tours for professional development, participation in conferences, and regional cooperation. A minimum of one action will be undertaken in each of the listed categories by December 2005.
- It has been agreed that MoHE will make counterpart funds (25% of QAAP project funds) available to the PMU promptly and on time starting no later than July 31, 2005. As well, paperwork related to reporting and fund disbursement will be reduced; a reasonable and consistent set of guidelines for fund replenishment will be used; and the sub-contractual process that is making impractical demands of project leaders and UPMU staff will be simplified. These actions will be undertaken before the end of July 2005.

#### **Establishing a Higher Education Enhancement Project Fund (HEEPF)**

18. The purpose of this component is to support initiatives that will improve teaching, learning and academic programs, build collaboration within and between universities, ETCs, and the private sector, and enhance institutional management and efficiency. This is done through funding of competitive proposals from higher education institutions. Competitive grant funds are already being utilized to improve competitiveness among faculty and help enhance quality in the following domains: management practices, academic programs, curriculum/course development, capacity building, information technology, and entrepreneurship among faculty. All public universities are already using grants/projects (against 50% targeted by 2007 in the PAD).

<b>HEEPF Grant Projects</b>	<b>Achievements</b>
Number of projects funded in the first four cycles (between March 04 & June 05)	159 or 30% (out of 523 proposals submitted)
Average grant size	US\$82,000
Funding Allocations	Projects: 96.85% Admin Cost: 1.25% Peer Review Process: 1.15% Publicity: 0.75%
Percentages of Types of Grants	Academic: 22.1% Capacity Building: 25.6% Curriculum Development: 22.1% Information Technology: 15% Knowledge Resources: 9% Quality Assurance: 6.2%
Average grant execution time	12-30 months
Number of academic staff directly involved in the execution of funded grants	1500 (4.3% of all staff)
Number of public universities participating	12 (100%)

19. As can be seen from the chart above, HEEPf grants are being implemented in all public universities and 1500 academic staff are directly involved in their implementation (while more than the equivalent of this number is indirectly involved). Detailed review shows that grants are of various sizes (50% small, i.e., around US\$50,000 equivalent), 34% medium and 16% large (over US\$150,000 equivalent). The data also shows that competition has a broad spread and that academic staff and administrators at all levels are involved. Monitoring system also shows that most grant projects are executing the projects according to schedule (73% in the first cycle and 64% in the second cycle) and their targets are being reached (see detailed HEEPf report).
20. The HEEPf has a strong monitoring and evaluation system that is used to track the progress and evaluate the impact of all projects that are funded. This process involves a team comprised of internal and external evaluators and site visits. Formal reports are filed with HEEPf following the process. To date, 113 site visits have been completed and 75 progress reports have been submitted from first and second cycles.
21. Given the 12-30 months period required for grant implementation, full evaluation of completed projects has yet to start. However, monitoring and site visits of the grant projects funded under the first cycle shows that the performance of most projects is either average or above average (see table below). It also shows that performance improved during the second site visit, which shows the positive influence of the monitoring and supervisory team.



22. HEEPF activities in the last eight months have included publicity and dissemination of information through site visits and face-to-face seminars. HEEPF has developed a functional and comprehensive website ([www.heepf.org.eg](http://www.heepf.org.eg)) and has published abstracts of projects funded in rounds 1, 2, and 3. It also organized the 2nd Symposium attended by His Excellency, Dr. Amr Salama, and 320 award recipients. HEEPF has also delivered a series of capacity building workshops on project management, financial training, e-learning to 1500 faculty members, administrators, and financial officers (4.3% of the total number) from 90 different Faculties.
23. The level of interest that the HEEPF has generated in the academic community is palpable and evident from the consistent increase in the number of applications submitted to HEEPF in the four rounds. It would be remiss, however, to ignore the concerns and challenges that face HEEPF in the short term as well as beyond the life of HEEP. The immediate concern is the slow disbursement of funds to HEEPF project holders and the amount of paperwork required of them. The short- and long-term challenges remain in the ability to disseminate best practices broadly and to develop a framework for the assessment of overall impact of HEEPF funded projects.

#### Next Steps

- It has been agreed that signing contracts for the 4<sup>th</sup> round projects will be completed and HEEPF will continue its monitoring of current projects on an ongoing basis. Moreover, that HEEPF will develop a plan to assess impact and to establish the extent to which HEEPF projects contribute to: (i) the overall quality and (ii) the strategic plan of each university. This will be prepared by December 2005.
- It has been agreed that slow disbursement of funds to project recipients will be addressed promptly and that the reporting system will be simplified to reduce the amount of paper work required without jeopardizing the integrity of the process. These will be done before the end of July 2005.

## **Component 2: Improve the Quality and Relevance of University Education**

24. This component supports efforts to improve the quality and relevance of university education through learning technologies, equipment, and human resources development.

### **Establishing an Integrated Information and Communication Technologies (ICT) Infrastructure**

25. The Information and Communications Technology Project (ICTP) components of HEEP include sub-projects at the system-wide level, as well as activities at the university level to address quality- and efficiency-related issues. The overall aim of this component is to bring the global revolution in knowledge creation and sharing into the teaching and learning processes in the Egyptian universities. Sub-components include: Network Infrastructure, ICT Training, Management Information System, e-Library, and e-Learning.
26. The recent implementation progress of the ICT component has been satisfactory. A new Director for the ICTP has been appointed. The ICTP Steering Committee was re-organized along the recommendations of the April 2004 supervision mission. The mission is pleased to note the substantial progress made in the ICTP since that time, and the considerable momentum built in implementing the related activities. The mission commends the active efforts of the ICTP Director and his team in orienting this component towards effective implementation and towards achievement of HEEP objectives. In addition, for each sub-project, a sub-committee was established to develop sub-project implementation plans. All implementation plans have been formulated by the sub-committees and approved by the ICTP Steering Committee. While the mission notes the progress made in the sub-projects since the April 2004 mission, increased efforts are required for the MIS sub-project by all concerned to ensure successful completion.

#### Sub-projects and Next Steps

- **Infrastructure.** Substantial progress has been demonstrated for this sub-project. For inter-university connectivity, the Ministry of Communication and Information Technology (MCIT) is financing (about LE19 million) the high-speed fiber-optic connectivity for 25 sites, which is expected to be completed by the end of October 2005. At the university-level, the ICTP is financing internal networking of campus buildings and Faculties. Procurement for the necessary equipment and services for 10 universities is currently at the bid evaluation stage, and a contract is expected to be awarded by end July 2005. Bids for the remaining 2 universities (Cairo, Alexandria) are to be awarded by end of October 2005. System-wide, the ICTP is financing the establishment of the higher education data center at the Egyptian Universities Network (EUN), encompassing equipment to serve the requirements for all sub-projects. The estimated cost for this activity is about US\$1.6 million, with bidding documents, following Bank ICB Guidelines, expected to be completed and provided to the Bank for “no-objection” by mid-August 2005. It was agreed that this activity is critical in ensuring that infrastructure is available for the other sub-projects of the ICTP.
- **ICT Training.** The sub-committee finalized its formulation of this sub-project, which is to be implemented through a small unit housed at the Supreme Council of Universities (SCU), and administered and delivered using the computer classrooms established at each university through the FLDP. As a result, it is expected that training will have been delivered to 6,000 faculty members and instructors, 700 trainers (20% approximately of all staff including trainers); and 3,600 administrative staff (12%). The mission recommends further investigation within the sub-project formulation for inclusion of online and distance learning as a delivery method for training

(See FLDP section). An ICT Training Center Director is expected to be hired by mid-August 2005, with training to begin by end October 2005.

- **MIS.** At the system-wide level, an analysis was conducted by the MIS sub-committee, with a summary framework established for the underlying database required for the Ministry. The mission recommends giving priority to the system-wide component, and to specifically address decision support systems required to inform decisions both for the Minister and for the SCU. It was agreed that the sub-committee will, therefore, focus on this area, and will develop the decision support systems' scope, analysis, and implementation arrangements, and will finalize procurement documents by end September 2005. In addition, a MIS unit will be established at the SCU, and a director for the unit recruited by end August 2005. At the university-level, each university has been requested to submit its internal MIS implementation plan to the ICTP by the end of June 2005. The mission notes that the MIS sub-project has experienced substantial delay, given the technical and implementation complexities involved, and thus requires increased efforts by all concerned for successful completion. The Bank will carefully monitor progress in developing the implementation plans, and requests that detailed university-level implementation arrangements are forwarded to the Bank by end September 2005 for its review.
- **E-Library.** The sub-committee has completed an exhaustive review of university requirements for access to international library resources, establishing a list of eight main online resources for subscription, covering a breadth of technical, academic, and research resources. To this effect, the mission recommends the recruitment of a consultant of international stature to assist the PMU in finalizing acquisition details, and possibly in assisting the PMU in negotiating terms and conditions for acquisition and for usage. It was agreed that a consultant will be recruited by the end of July 2005. For the institutional arrangements, a library specialist will be recruited at the SCU by end September 2005 to follow-up on implementation. It is expected that all subscriptions will be acquired and access made available by end January 2006. At the university level, the sub-committee is currently drafting specifications for library management software. To assist and expedite this process, the mission provided the sub-committee with sample specifications for a complete integrated library system. It is expected that final bidding documents will be ready by end October 2005.
- **E-Learning.** The organizational structure and products for the National e-Learning Center, to be housed at the SCU, has been finalized by the sub-committee. The Center is charged with e-Learning infrastructure for all universities and for providing a range of e-Learning tools for application by faculty and students. It is expected that the e-Learning Center Director will be in place by end August 2005, and full operation to start end September 2005. Initial application of material will commence in the 2006-2007 academic year, starting with 10 courses (at all universities), to be expanded to 30 for the 2007-2008 academic year (for a potential reach of about 500,000 students).

### **Training for faculty and staff: Faculty Leadership and Development Project (FLDP)**

27. This component supports capacity building of academics and academic administrators<sup>5</sup>. Its specific activities focus on professional development initiatives (i) to enable faculty and instructors to improve the quality of their academic performance in general and to use modern and interactive teaching methods in particular, and (ii) to equip academic administrators with

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<sup>5</sup> This latter aspect is to address the objective of Component 1 (iv).

modern management skills and tools. The integration and use of technologies in both contexts is seen as an integral aspect of this component

28. This activity has been mainstreamed through the establishment of a Faculty Leadership Development Center at the university level. All universities have now established the FLDP units. Partial operational funds for FLDP units will be provided by the institutions, with this contribution to grow by 25% in each of the subsequent six month cycles to full cost recovery.
29. The FLDP has a strong monitoring and evaluation system that has been established to review progress and improve quality of the training programs for faculty and administrators.

<b>FLDP Programs</b>	<b>Achievements</b>
Participating universities	12 (100%)
Trainers Trained (Cycles 1&2)	230
Training programs completed in first two cycles	Cycle 1: 649 Cycle 2: 606
Training hours completed	Cycle 1: 14,500 Cycle 2: 11,900
Faculty members trained (Cycles 1&2)	32,000 (41% of the targeted population)
Trainee Types (Cycle 1)	Leaders:4% Professors:13% Assist. Professors:28% Lecturers:28% Assistants:27%
Participants survey results (Cycle 1)	Excellent: 5.5% Above Average: 89% Average: 5.5%

30. As can be seen from the table above, the FLDP program is conducted in all universities and is already reaching a large number of faculty and administrators. The participant's survey results of the first cycle show that all participants found the training beneficial. The mission also visited training sites in Zagazig and Alexandria Universities, where the trainees confirmed these findings.
31. FLDP activities also included extensive publicity and awareness campaigns through television, print media, and face to face seminars to promote the importance of continued professional development for faculty and staff.
32. The successful completion of at least one module (20 hours) offered is now a condition of promotion in academic rank. Teaching assistants must complete 6 modules (120 hours) before they can be promoted.
33. It was agreed that the impact of FLDP development activities on improving quality hinges on the validity and relevance of its training materials as well as the competency and credibility of individuals who deliver the training programs. It is, therefore essential that current practices be validated against best international practices. This will require some form of cooperation and interaction with international experts, either through study tours arranged for "trainers and faculty developers" or international TA for the professional development of trainers and faculty developers in Egypt.

34. It was also agreed that FLDP must develop the capacity and flexibility to maintain a balance between being pro-active (offering a pre-determined set of training modules) and being responsive (offering training as needed and just-in-time). Its ability to address the emerging needs of faculty and staff generated by projects initiated through HEEPF, QAAP, ICTS, and ETCs will be one measure of the extent to which it succeeds in this regard. The level of duplication in training will be another measure.
35. FLDP has only begun to address one of the components of its mandate which is to develop e-learning modules. This area of development needs to advance with a much greater pace in order to meet project goals.

#### Next Steps

- It has been agreed that FLDP will consult with international experts or will organize study tours for its faculty developers and master trainers in order to validate current training content and process between July and December 2005. Terms of Reference documents for identifying and engaging the most appropriate consultants or study tour locations will be prepared by September 2005.
- It has been agreed that FLDP will extend its activities to address the needs of HEEPF, QAAP, ICTS and the ETCs. Training modules will be adapted and/or developed promptly and in consultation with HEEP project directors. To this end, FLDP will keep abreast of professional development needs corresponding to the new initiatives. This will be done in an on-going basis.
- It has been agreed that FLDP will exploit more expeditiously the potential of e-learning to develop stand-alone training modules. A minimum of two modules will be developed and pilot-tested by December 2005.

#### **Component 3: Improving quality and relevance of mid-level technical education**

36. This component supports extensive restructuring and a comprehensive overhaul of teaching content and practices for the mid-level technical institutes in order to improve the quality and relevance of teaching in these institutes.
37. The implementation of this component has been satisfactory. Consolidation of the 45 MTIs into 8 TCs has already been achieved. This is expected to improve the quality of teaching in the TCs as a result of more consolidated management and greater efficiencies.
38. The 8 Egyptian Technical Colleges (ETCs) and a new Supreme Council for the Technical Colleges (SCTC) were established by ministerial decrees in 2003. The SCTC is headed by the Minister of Higher Education. The Directors (8) and Deputy Directors (16) for the 8 ETCs were appointed after a rigorous and transparent selection process that involved their performance in a leadership training workshop supported by the project.
39. A ministerial decree was signed for the establishment of the Board of Trustees (BOTs) and Technical College Councils (TCCs). The BOTs' terms of reference was developed and disseminated. The mission met with three BOTs and was impressed by the enthusiasm and commitment of its members, and the leadership shown by the interim leaders. The transfer of decision-making responsibilities from MOHE to the ETCs through their BOTs is a major reform breakthrough for higher education and for middle level technical education in particular.

40. Refurbishment of facilities for 102 computer and Internet labs and 9 language labs in the 8 ETCs and the procurement, installation of and commissioning of equipment in 64 labs have been completed, with the rest expected by August 2005 (before the start of the 2005/2006 academic year). More than 500 teachers, lab technicians, and support staff received internationally-sanctioned English and IT training.
41. Twenty core programs in technology, business and commerce, hospitality and tourism and social services were identified and their program standards were established, based on the occupational standards defined by the National Standards Specification Programs, a nationwide initiative funded by the Social Fund for Development.
42. Detailed course syllabi were developed for all first year courses in business and commerce and delivered during the academic year 2004/2005. Twenty-three new textbooks were commissioned and published by subject committees composed of ETC teachers, university professors and business practitioners. Four versions of each textbook were commissioned to encourage competition and diversity. The courses for the second year of the business and commerce programs will be ready for the academic year 2005/2006.

#### Next steps

- A number of critical factors have hampered progress in the refurbishing of existing facilities and construction of new buildings. The PMU has very little control over the implementation of these refurbishing plans, which is supervised by the Construction Implementation Unit of MOHE. The bureaucratic practices of the said unit have been a major obstacle for the timely implementation of the ETCP. Alternative arrangements - similar to the ones adopted in previous projects, giving autonomy to the PMU to supervise the refurbishing program - are being considered by the MOHE.
- Sustainability of the benefits of the proposed reforms, especially the decentralization of decision making and the devolution of authority from the MOHE to the BOTs in the Colleges cannot be achieved without a reorganization of the technical education directorate in MOHE. A proposed framework for such a reorganization was presented and was agreed with H.E. the Minister of Higher Education, Dr. Amr Salama. The proposed structure emphasizes the role of the proposed new units that deal primarily with planning, coordination, and information analysis and policy administration.
- The October 2004 Aide Memoire emphasized that the success and sustainability of the ETCP reforms cannot be achieved without a legal framework to clearly spell out their mandate, define their organizational structure, governance and the employment status of their employees. A legal framework for the ETCs, similar to the Universities Law # 49/ 1972 and Higher Technical Institutes Law # 51/1963, need to be developed and approved by the Minister, the GoE and the Egyptian Parliament. The mission strongly recommends that efforts should be made to speed up the process to pass such a law.
- It was agreed that there is a need to support the role of the newly established BOTs, in order to ensure the effective and continued participation by leading industrialists and private sector business leaders.

## **Procurement and Disbursement**

43. Procurement has progressed satisfactorily since the previous supervision mission in October 2004. Commitments have exceeded US\$25 million or more than 50% of the total loan amount and are expected to exceed 60% before the end of July 2005. Most of the procurement/implementation bottlenecks have been resolved. Agreement was reached on resolving the remaining obstacles in order to accelerate implementation and subsequently disbursements, such as availing counterpart funds in a more timely manner for the different projects and activities. Post reviews were conducted for one contract, or 25% of four contracts for goods, as well as one contract for civil works or 100% of the total number of contracts let (post review) under the project during FY 2005. The post review showed that the PMU is using Bank standard procurement guidelines and procedures in a satisfactory manner. The mission also reviewed 12 HEEPF projects, or 10.6% of the 113 projects approved and under implementation, as well as 11 QAAP projects, or 10% approximately of the 113 projects approved to date. Overall, the understanding of World Bank procurement regulations has improved at the UMPU level. Subsequently, implementation performance has improved. Further improvement will be attained through continuous contacts and visits to the UPMUs and through holding regular (quarterly) procurement workshops and meetings.
44. Disbursement has increased substantially during the past six months and, as noted earlier, has reached US\$14.7 million, or 29.4% of the US\$50 million loan. It is anticipated that disbursement will reach US\$30 million, i.e., 60% of the US\$50 million loan by the end of FY 2006. It is also anticipated that project funds will be fully disbursed before the closing date of the project (December 31, 2007).

### **Next Steps**

- It was agreed that the World Bank will hold quarterly workshops on World Bank procurement guidelines and conduct quarterly visits to UPMUs to monitor procurement and support the simplification of processes for the different subprojects.

## **Financial Management**

45. The Financial Management mid-term review included visiting the PMU in Cairo, and six Universities (Ain-Shams, Cairo, Tanta, Zagazig, Helwan and Alexandria), discussions with the Project's and Universities' staff and assessing the financial management arrangements in each of these institutions.
46. Efforts are being made to strengthen the financial management arrangements of the project. The PMU is in the process of procuring automated software to handle the diversion of activities and flow of funds into hundreds of sub-projects. The PMU financial department is also conducting training workshops to communicate the financial management guidelines and rules to the UPMUs and the projects at the universities. The main issues noted were: (i) late submission of audit reports; (ii) internal control issues raised by the auditor in the management letter; (iii) lack of a comprehensive and tailored internal control and accounting policies and procedures manual; (iv) incompleteness of the project planning and monitoring tools including procurement plan, disbursement plan and Financial Monitoring Reports (FMRs); and (v) flow of funds bottlenecks and inefficiencies. In addition, taxes relating to the HEEP Fund amounting to \$16,000 were paid out of the loan. Detailed action plan in Annex 1 reflects the agreements reached with the Bank mission FMS specialist to address the above noted issues.

47. The project is characterized by different project functions that need to be supported and safeguarded by reliable automated accounting software. In a project of such nature with flow of funds to hundreds of sub-projects, there is an urgent need for a reliable accounting software to timely and accurately track flow of funds and to produce timely financial reports for monitoring, evaluation and decision-making purposes. The PMU is commended for initiating the process of procuring accounting software as suggested in the action plan communicated as part of the May FM Supervision Report.
48. The project has an Operation Manual that outlines the project's organizational structure and the main responsibilities of the project's core positions. However the project lacks a detailed and formally documented FM manual that defines the roles and procedures within the financial departments of the PMU, UPMUs and the individual projects and the relationships among each of them.
49. Planning and monitoring tools represented by budgets, procurement and disbursement plans, and FMRs are not timely and fully available. Not all subprojects prepared procurement and disbursement plans. The World Bank provided sample FMRs to the project which were tailored to fit the overall projects components. However, coordination needs to take place between the PMU finance department and the six subprojects in order to incorporate the subprojects' budgets, procurement plans and outputs into the FMRs for them to be issued.
50. The dependence on the Central Bank of Egypt, as opposed to a commercial bank, in handling the project bank accounts was negatively affecting the smooth flow of funds. This includes delays in opening LCs, executing transfers of funds, cashing of checks and receiving timely account statements. The loan agreement was recently amended to allow the use of a commercial bank for the project's special account. It was agreed that the PMU will select a commercial Bank in July, 2005.
51. As subprojects began to be implemented, another operational bottleneck began to occur. Goods procured locally are financed at 75% from IBRD and 25% from local contribution. With small individual projects-at-universities (PAUs), under QAAP for example, it is not practical or efficient to have each invoice sent to MOHE to settle the 25% share. It was agreed that the MOHE will provide the counterpart funds in a timely manner.
52. It was also noted that taxes were sometimes paid by HEEPF projects from the IBRD loan. Accordingly, we requested the project to quantify the total amount paid from the loan in taxes. The project has advised that this amounted to about \$16,000 up to March 2005. It was agreed that these expenditures have to be reviewed by independent auditor and ineligible expenditures will have to be refunded to the bank.
53. Finally, the current structure of the PMU finance department is not adequate to achieve efficient flow of operations throughout the project's implementing bodies. Staff is overwhelmed by voluminous recording and reporting requirements at the expense of fulfilling their responsibilities in providing training, guidance, and supervision to accountants at subprojects, UPMUs, and PAUs. The use of accounting software together with restructuring and enforcement of the FM department, as discussed in the action plan and the staffing section, are likely to contribute to better fulfillment of the department's role.
54. An Action Plan has been agreed upon and is expected to enhance the overall performance of the financial management function within the next six months. The World Bank will supervise the implementation of the action plan closely.

## Annex 1

### Higher Education Enhancement Project

#### Agreed Upon Actions to be Accomplished by December 2005

Action	Timetable	Responsibility
M&E		
<ul style="list-style-type: none"> <li>Recruit M&amp;E consultant</li> </ul>	By August 31, 2005	PMU
<b>I. Component 1: Reform of Governance and Management related Actions</b>		
Quality Assurance		
<ul style="list-style-type: none"> <li>Coordinate disbursement of funds with the MoHE in order to eliminate all delays is reimbursements and disbursement.</li> </ul>	By July 30, 2005	QAAP+ MoHE+ PMU+UPMUs+IQUs
<ul style="list-style-type: none"> <li>Reduce the paperwork related to reporting and fund disbursement by 50% and simplify the sub-contractual process.</li> </ul>	By July 30, 2005	QAAP + PMU+UPMUs+IQUs
<ul style="list-style-type: none"> <li>Develop and implement a consistent set of guidelines for dealing with fund disbursement.</li> </ul>	By July 30, 2005	QAAP + IQUs
<ul style="list-style-type: none"> <li>Disseminate information through awareness campaigns</li> </ul>	On an on-going basis	QAAP+ IQUs
<ul style="list-style-type: none"> <li>Develop and implement a robust, efficient and simple system to monitor and evaluate the impact of funded projects.</li> </ul>	By December 2005 By December 2005 By December 2005	QAAP + QAAP+IQA QAAP+IQA+TA
<ul style="list-style-type: none"> <li>Complete the development of standards and benchmarks and in sectors. Complete work in at least 8 sectors and begin to apply the use of standards as a first trial; validate completed work with international expert</li> </ul>	By July 30, 2005	QAAP+ UPMU +IQUs
<ul style="list-style-type: none"> <li>Complete 3<sup>rd</sup> and 4<sup>th</sup> cycle of QA projects.</li> </ul>	See below	QAAP+ PMU +IQUs
<ul style="list-style-type: none"> <li>Continue forging ties with the international QA movement and professional development of core QA group through study tours and TA.               <ul style="list-style-type: none"> <li>Identify activities and develop terms of references</li> <li>Participate in one regional or international conference/seminar</li> <li>Arrange for and receive TA for the validation of the work on the development of Academic Standards and benchmarks</li> <li>Participate in at least one professional development activity outside Egypt</li> </ul> </li> </ul>	By September 2005 By December 2005 By December 2005  By December 2005	
<b>HEEPF: ACTIONS</b>		
<ul style="list-style-type: none"> <li>Expedite disbursement process and make it timely and reduce paperwork related to reporting and disbursement without jeopardizing quality.</li> </ul>	July 2005	HEEPF + PMU
<ul style="list-style-type: none"> <li>Complete round 4 of competition and continue publicity and dissemination of information as well as best practices</li> </ul>	Next 6 months	HEEPF + award recipients
<ul style="list-style-type: none"> <li>Implement monitoring and evaluation of rounds 2, 3, and 4.</li> </ul>	Next 6 months	HEEPF and associated peer HEEPf
<ul style="list-style-type: none"> <li>Synthesize impact of round 1 (and 2) projects and develop a framework for assessing overall impact of HEEPf funded projects on quality, the value added, and their impact on the advancement of the strategic vision of the MoHE.</li> </ul>	By December 2005	
<b>Developing capacity (FLDP)</b>		
<ul style="list-style-type: none"> <li>Consult with international experts to validate training content and process.               <ul style="list-style-type: none"> <li>develop Terms of Reference</li> <li>solicit bids</li> <li>select consultant and engage in consultation process</li> </ul> </li> </ul>	By December 2005 By August 2005 September 2005 By December 2005	FLDP+PMU
<ul style="list-style-type: none"> <li>Identify at least one training that is a priority to HEEPf, QAAP, ICTS, and the</li> </ul>	By December 2005	

<p>ETCs and provide training across the system in these areas.</p> <ul style="list-style-type: none"> <li>Exploit expeditiously the potential of e-learning. Develop and pilot test a minimum of stand alone training modules for topics that lend themselves to this medium.</li> </ul>	By December 2005	FLD+HEEP directors  FLDP
<b>II. Integrated computer and network infrastructure</b>		
<p><i>Infrastructure</i></p> <ul style="list-style-type: none"> <li>Contracts for university-level infrastructure awarded</li> <li>EUN Network and Data Center equipment bidding Documents to the Bank for "no-objection"</li> </ul>	September 15, 2005  August 15, 2005	UPMU's, PMU  EUN, PMU
<p><i>ICT Training</i></p> <ul style="list-style-type: none"> <li>ICT Training Center Director recruited</li> </ul>	August 15, 2005	SCU, PMU
<p><i>MIS</i></p> <ul style="list-style-type: none"> <li>Ministry and SCU level MIS bidding document finalized</li> <li>MIS unit established at SCU</li> <li>University specific implementation plans completed and sent to the Bank for review</li> </ul>	September 30, 2005  August 30, 2005  August 30, 2005	SCU, PMU  SCU  UPMU's, PMU
<p><i>e-Library</i></p> <ul style="list-style-type: none"> <li>Library Specialist recruited</li> <li>Subscriptions acquired</li> <li>University level library software bidding documents completed</li> </ul>	September 30, 2005  January 30, 2005  October 15, 2005	SCU, PMU  PMU  PMU
<p><i>e-Learning</i></p> <ul style="list-style-type: none"> <li>National e-Learning Center Operational</li> </ul>	September 30, 2005	SCU
<b>III. Mid-level technical colleges</b>		
<ul style="list-style-type: none"> <li>Improve performance of the refurbishing of existing ETC facilities and building of new structures by finding the root causes of the existing delays and bottlenecks and removing them</li> <li>Approve the proposed reorganization of the technical education unit at MOHE which emphasizes the planning, coordination, and information analysis and policies administration role.</li> <li>A legal framework for the ETCs, similar to the Universities Law # 49/ 1972 and Higher Technical Institutes Law # 51/1963, need to be developed and approved by the Minister, the GoE and the Egyptian Parliament. The mission strongly recommends that efforts should be made to speed up the process to pass such a law.</li> <li>Develop the framework and detailed TORs for the newly established BOTs to ensure the continued support from leading industrialist and private sector business leaders in leading the ETCs into an era of efficient delivery of quality and relevant technical education responsive to the needs of the productive sector and society.</li> <li>The capacity building component should be continuous and sustainable, especially in view of the fact that the serious teacher shortage in the ETCs and the planned hiring of additional graduates and/or the transfer of personnel from other government department to fill in the gap.</li> <li>ETCP proceed with plans to install and commission the ICT equipment and systems, and provide the required ICT training to ETC personnel as well as to MOHE personnel in the newly proposed restructuring plans.</li> <li>Initiate the following QA actions: <ul style="list-style-type: none"> <li>Establish Quality Assurance QA units in each ETC</li> <li>Include QA in the leadership program planned for ETC directors, deputy directors and MOHE managers. Dr. Badrawi should take the lead in developing and delivering the content.</li> <li>Form a committee with representatives from all the ETCs to develop institutional standards for the ETC sector. Include this component also in the leadership training program and the study tour.</li> </ul> </li> </ul>	Immediately  Immediately  ASAP  Ongoing  Ongoing  Next 6 months  Next 6 months	MOHE  MOHE  MOHE  MOHE  ETCP Team  ETCP Team  ETCP Team

<p>IV. EEP FOE Agreed Actions</p> <ul style="list-style-type: none"> <li>• Written commitments by HEEP Director and Minister of Higher Education to Support the FOEP through December, 2007.</li> <li>• Appointment of a full-time Monitoring and Evaluation Expert to work with the committee and monitor the many FOEP programs through the EEP funding and the HEEP/GOE funds.</li> <li>• Appointment of FOEP representatives to joint inter-project collaboration task forces with ERP on standards, teaching practice, and induction.</li> <li>• Presentation of changes in contact hours, induction, curriculum changes, and other necessary By-Law changes to the Supreme Council of Universities (SCU) with support of the Minister of Higher Education and the appropriate MOE councils.</li> <li>• Workshops within each FOE on the range of topic for whom 2-3 members were trained at Trainers of Trainers sessions during the spring of 2005.</li> </ul>	<p>July 31, 2005</p> <p>July 31, 2005</p> <p>July 31, 2005</p> <p>July 31, 2005</p> <p>June 30, 2005</p>	<p>HEEO + MoHE</p> <p>FOEP</p> <p>FOEP</p> <p>FOEP + SCU</p> <p>FOEP</p>
<p>FOEP: ACTIONS</p> <ul style="list-style-type: none"> <li>• Verbal commitments by the Minister of Higher Education to support the necessary By-Law Changes.</li> <li>• Oral commitments by HEEP Director and Minister of Higher Education to support the FOEP through December, 2007 and beyond if necessary.</li> <li>• Written commitments by HEEP Director and Minister of Higher Education to Support the FOEP through December, 2007.</li> <li>• Continuing joint efforts with other faculties needs to continue throughout the coming years, so that instructors of sciences, arts, fine arts, physical education and other faculties are part of the reform effort.</li> <li>• Continued work with the QAA and FLDP projects within HEEP will provide all participants with the benefit of the other's experience.</li> <li>• Joint regional and national conferences throughout 2005-6 on all topics listed above</li> <li>• Presentation of changes in contact hours, induction, curriculum changes, and other necessary By-Law changes to the Education Sector Committee.</li> <li>• Presentation of changes in contact hours, induction, curriculum changes, and other necessary By-Law changes to the Supreme University Council (SUC) with support of the Minister of Higher Education and the appropriate MOE councils.</li> <li>• Monitoring and evaluation Report on the new syllabi and curriculum.</li> <li>• Workshop for FOEs on developing a Strategic Plan.</li> </ul>	<p>May 30, 2005</p> <p>May 30, 2005</p> <p>July 31, 2005</p> <p>June, 2006</p> <p>August 31, 2006</p> <p>June 30, 2006</p> <p>June 30, 2005</p> <p>July 31,2005</p> <p>July 15, 2006</p> <p>October 31, 2005</p>	<p>MOE and MOHE</p> <p>HEEP and MOHE</p> <p>HEEP and MOHE</p> <p>FOEP and other Faculties</p> <p>HEEP, QAA, FLDP and FOEP</p> <p>FOEP and ERP</p> <p>FOEP and ESC</p> <p>FOEP and SUC</p> <p>FOEP</p> <p>FOEP</p>
<p><b>Procurement and Disbursement</b></p> <ul style="list-style-type: none"> <li>• Hold quarterly workshops on World Bank procurement guidelines</li> <li>• Conduct quarterly visits to UPMUs to monitor procurement and support the simplification of processes</li> </ul>	<p>Quarterly</p> <p>Quarterly</p>	<p>World Bank/PMU</p> <p>World Bank/ PMU</p>

### Agreed Actions for Financial Management

ACTION	WHY	WHO	WHEN
Procure, install and train staff on a computerized accounting software.	To accurately capture, record, report, and analyze the project transactions in a timely manner.	PMU	30/9/2005
Support the Operation Manual with detailed internal control and financial policies and procedures manual.	To provide documented, formal and consistent guidance on procedures to be followed to staff.	PMU	31/7/2005
Prepare quarterly budgets, procurement and disbursement plans	To provide reliable timely management and monitoring tools.	Sub-projects	15/7/2005
Generate quarterly FMRs	To be able to monitor the financial, procurement and physical progress of the project as a whole. As an interim arrangement the FMR will be prepared on Excel.	PMU	30/6/2005
Open a special account at a commercial bank.	To secure more efficiency in handling banking transactions.	PMU	15/7/2005
Hire an auditor to review the amounts paid in taxes under the implemented subprojects.	To certify the amount of ineligible expenditures currently identified.	PMU	15/7/2005
Hire/assign a Universities FM Coordinator.	To provide guidance and supervision for UPMUs FM.	PMU	30/6/2005
Reinforce the PMU FM department with accountant with IT and accounting software experience.	To help with the transition from Excel based system to automated accounting software and later to maintain the software.	PMU	15/7/2005
Arrange for transferring local contribution to project's bank account instead of disbursing from MOHE directly.	to solve inefficiencies of having MOHE involved in settling each invoice with local share.	PMU / MOHE	31/7/2005

**Annex 2**  
**Education Enhancement Project**  
**Faculty of Education Component**

Purpose:

The Faculties of Education Project (FOEP), which is part of the Education Enhancement Project (EEP) in the Ministry of Education, came under the MoHE in 2002. Reforming faculties of education is an integral part of the higher education reform program. It is very closely linked to the HEEP's FLDP and NQAAP. Its objectives are consistent with the critical component of the EEP goal of Improving the Quality of Student Performance in the Egyptian schools is the "*improvement of the quality of the pre-service training program*" through a Faculties of Education Program.

Achievements:

Since January 2005, FOEP has progressed toward its Developmental Objectives (DOs):

Three million US\$ were set aside for the *Improvement Fund*. 96 FOE proposals were received, winners have been selected, and approximately 40 will be supported, with funds to be distributed in June, 2005 for implementation in 2005-6.

In order to raise *the quality of students entering FOE*, agreements have been reached (not yet in By-Laws) to include an interview and test in addition to the regular secondary examination scores to ensure interest and capabilities to be a teacher and limiting entering classes to between 40-50 students.

Concerning the *ranking system for pre-service institutions*, both the recommended monitoring and evaluation system, the standards currently under development and the Quality Assurance and Accreditation systems for all of Higher Education should lead to a system for ranking institutions.

*An induction year* has been agreed upon (not yet in By-laws) prior to permanent employment of graduates. Details are being worked on jointly by FOEP and FOE/ERP.

*The curricular changes* are in process (not yet in By-laws), with 12 FOES piloting them in 2005-6, and full implementation in 2006-7 following careful monitoring and evaluation. Both the Ministers of Higher Education and Education have agreed (not yet in By-laws) to the new licensure system, which is closely tied to the induction year.

Previous supervision missions in 2003 and 2004 found the progress of the FOEP to be slow and not targeting the DOs. Recommendations were made for improving the quality of the program. Those agreed upon recommendations included an expansion of the program emphasis from hardware and computer literacy to a broader range of goals; the development of a coherent strategic plan; development, implementation and monitoring of curriculum reform; the professional development of FOE instructors; expert review of the new curriculum.

This Mission has found that the FOEP has made a dramatic turnaround in the past half year. This is primarily due to the extraordinary efforts by the new Director working with the Deans of FOEs, a national Education Sector Committee, and faculty members from throughout Egypt. The FOEP is now on track to meet many of the DOs and implement many of the recommendations of previous supervision missions by the end of the EEP in August, 2006. However, given the fact that most of the Projects' activities have only occurred in the past six months, and with only 15 months of EEP funding remaining, without further MOHE support, it will be impossible to completely fulfill all DOs before the EEP ends.

### Key Issues and Next Steps:

- a. *Additional Funding*: Since the DOs and previous recommendations cannot be completed by August, 2006, written assurances of financial support have been promised from HEEP, GOE or other sources for the FOEP through 12/07 and beyond. Verbal assurances came from the Minister of Higher Education and the Director of HEEP.
- b. *Policies and By-Laws*: The FOEP has made a large number of curricular and other changes that require modifications to the By-Laws governing higher education. The Minister of Higher Education has personally promised to support these changes.
- c. *Monitoring and Evaluation* are critical to most of the recommendations listed in this Executive Summary and throughout the rest of this report. The Director of the FOEP will appoint prior to August, 2005, a full-time staff member to monitor and lead the evaluation subcommittee in its analysis of project components.
- d. *Bottom-up Reform* is critical and while the Project Director has involved hundreds of colleagues in the process over the past six months, it is now critical for each FOE to develop its own Strategic Plan.
- e. *Synergies* must be maintained and further developed between the MOE and MOHE, FOEP and USAID's Faculty of Education Reform program: (ERP). FOEP must also link with the WB's HEEP components: Quality Assurance (NQAAP) and Faculty Leadership Development (FLDP) as the most obvious connections

**Annex 3**  
**Performance Indicators**

<b>PDO Indicator</b>	<b>Baseline</b>	<b>Progress to date</b>	<b>End of Project Target</b>
Legislative reform enacted to establish independent QA mechanisms	No quality or accreditation measures in place	113 QA projects under implementation. NQAAA legislation is being reviewed at the Parliament	NQAAA established and functioning
Consolidation of 45 MTIs into 8 TCs	45 MTIs 0 TCs	45 MTIs consolidated into 8 TCs BOTs & TCCs established	8 TCs are operational and more relevant to market needs
Higher education administrators use technology to rationalize administrative procedures	No MIS	PMU & 12 universities established specs for MIS	MIS is operational
<b>Intermediate Indicators</b>			
SCU & SCTC oversee sector and institutional performance	No SCTC Weak oversight	SCTC established.. Legislation drafted	SCU & SCTC publish annual reports that are based on MIS outputs
HEEPF competitive grant funds utilized to support improved management practices	No grant funds available	113 projects under implementation + 46 additional projects approved	At least 125 projects implemented successfully & achieved their objectives