



U.S. ECONOMIC ASSISTANCE PROGRAM IN EGYPT

CONFORMED COPY

USAID Assistance Agreement No. 263-0286

**SIXTH AMENDMENT
TO
ASSISTANCE AGREEMENT
BETWEEN THE
ARAB REPUBLIC OF EGYPT
AND THE
UNITED STATES OF AMERICA
FOR
BASIC EDUCATION**

"certified to be a true copy of the original document signed on behalf of the Government of U.S. by Ms. Hilda Arellano, USAID Director, and on behalf of the Government of Egypt by Ms. Fayza Aboulnaga, Minister of International Cooperation."

Dated: 30 SEP 2008

FUNDS RESERVED / OBLIGATED	
SOM: 22	Activity #: A12 (A055, A056)
Amount: \$56,971,000	
EOCC: Uleales	FY: 2008-2009
Orig. Start Date:	Orig. End Date:
USA	09/30/08

Latanya Mapp Frett
Program Office
Director

Sixth Amendment ("Amendment"), dated 30 SEP 2008 to the Assistance Agreement, dated September 30, 2002, between the Arab Republic of Egypt ("A.R.E." or "Grantee") and the United States of America, acting through the United States Agency for International Development ("USAID") (collectively, the "Parties") for Basic Education (the "Assistance Agreement").

SECTION 1. The Assistance Agreement is hereby amended as follows:

- A. Article 3, Section 3.1(a) is amended by deleting "Two Hundred Ninety Eight Million Two Hundred Thirty Four Thousand Eight Hundred Seventeen United States ("U.S.") Dollars (\$298,234,817)" and substituting "Three Hundred Fifty Five Million Two Hundred Five Thousand Eight Hundred Seventeen United States ("U.S.") Dollars (\$355,205,817)" therefor.
- B. Article 3, Section 3.2(b) is amended by deleting "Two Hundred Seventy Million Two Hundred Sixty Thousand Egyptian Pounds (L.E. 270,260,000)" and substituting "Two Hundred Seventy One Million Twenty Three Thousand Egyptian Pounds (LE 271,023,000)" therefor.

C. Article 4, Section 4(a), is amended in its entirety to read as follows:

The Completion Date for all activities is December 31, 2011, except for the American University in Cairo (AUC) LEAD Scholarship Program which has a completion date of September 30, 2015. The Completion Date is the date by which the Parties estimate that all the activities necessary to achieve the Objective and Results will be completed.

D. Annex I of the Assistance Agreement is deleted in its entirety and replaced by the Annex I attached hereto.

SECTION 2. Language of Amendment. The Amendment is prepared in both English and Arabic. In the event of ambiguity or conflict between the two versions, the English language version will prevail.

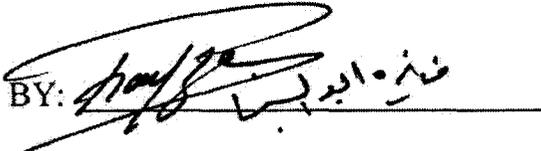
SECTION 3. Except as specifically amended or modified herein, the Assistance Agreement shall remain in full force and effect in accordance with all of its terms.

SECTION 4. Ratification. The A.R.E. will take all necessary action to complete all legal procedures necessary for ratification of this Sixth Amendment and will notify USAID of such ratification.

SECTION 5. Effectiveness. The Amendment shall enter into force when signed by both Parties hereto.

IN WITNESS WHEREOF, the Arab Republic of Egypt and the United States of America, each acting through its respective duly authorized representatives, have caused this Sixth Amendment to be signed in their names and delivered in Cairo on September 30, 2008.

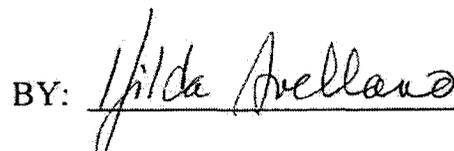
ARAB REPUBLIC OF EGYPT

BY:  فائزة ابونجا

NAME: Fayza Aboulnaga

TITLE: Minister of International Cooperation

UNITED STATES OF AMERICA

BY:  Hilda Arellano

NAME: Hilda Arellano

TITLE: Director, USAID/Egypt

Implementing Organizations

In acknowledgement of the foregoing Agreement, the following representative of the implementing organization has subscribed his name:

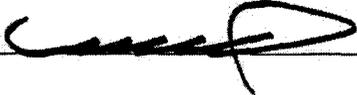
BY:  _____

NAME: Dr. Yousry Saber Hussein El-Gamal

TITLE: Minister of Education

Implementing Organizations

In acknowledgement of the foregoing Agreement, the following representative of the implementing organization has subscribed his name:

BY:  _____

NAME: Dr. Hany Mahfouz Helal

TITLE: Minister of Higher Education &
Minister of State for
Scientific Research

Annex 1
Amplified Program Description
For the Basic Education
Assistance Agreement

I. INTRODUCTION

This Annex 1 describes the activities to be undertaken and the progress and achievements to be made with the funds obligated under this Agreement. Nothing in this Annex 1 shall be construed as amending any of the definitions or terms of the Agreement and all of the definitions set forth in the Agreement shall apply to this Annex. Annex 1 may be amended by authorized representatives of the Parties through Implementation Letters (ILs) as provided under Article A. Section A.2 of the Standard Provisions (Annex 2) to the Agreement, without formal amendment of the Agreement, provided that the definition of the Objective and Program Areas, as set forth in Article 2 of this Agreement, are not altered thereby.

II. BACKGROUND

The problems facing the Egyptian educational system are the same as identified in the earlier Basic Education Assistance Agreement and its successive amendments. Egypt needs a high quality education system that prepares its young people for the local labor market, and allows Egypt's participation in the highly competitive global market. A quality education system is also needed to enable Egypt's young to live healthy lives, raise their quality of life, and participate actively in society. The low quality of the educational system has many clear manifestations including low completion rates; low internal efficiency: high dropout and repetition rates; low reading, writing, and numeracy acquisition and retention rates leading to low literacy rates; graduates and dropouts that do not have the needed employment skills; heavy reliance on private tutoring leading to an increased gap between rich and poor in access to educational services and in educational attainment; a curriculum and assessment system that relies mostly on rote learning and does not develop in learners critical thinking and problem solving skills, all highly needed for participation in the modern workforce and effective engagement as empowered citizens in a modern society.

In order to raise the quality of education, improvements in the quality of teaching, assessment, and teacher support systems, as well as increased enrollment and retention rates in disadvantaged areas, are all necessary. Also important are improving students' critical-thinking and problem-solving skills, increasing parental participation in local school management, and providing less crowded classrooms. Those living in underserved rural areas need additional support to successfully build girls' life skills, extend basic skills to second chance learners who have dropped out of the system, and reduce the high illiteracy rate, especially among girls and women.

In higher education the system continues to suffer from insufficient access and low market relevance of offered programs. USAID's strategy in the higher education arena in Egypt is targeted at strengthening select Egyptian higher education institutions, fostering leadership and professional development opportunities for disadvantaged youth, and creating sustainable links between U.S. and Egyptian scientists.

III. OBJECTIVE: INVESTING IN PEOPLE

Program Area: Education

The Investing in People Objective, Education Program Area, focuses on improving access, quality, equity and efficiency of basic and tertiary education in Egypt. Investments in education yield important social and economic benefits through improvements in labor productivity as well as improved health. Activities funded hereunder will emphasize the reduction of barriers to the education of girls; and assist the GOE in its education reform efforts. Activities will include improving the quality of teaching and learning; increasing the access of Egyptian children to quality education with a special emphasis on those in underserved areas; improving school management and community participation in the oversight and delivery of educational services; decentralizing school financing and administration and strengthening data for decision making. It is expected that these activities and reforms will provide Egyptian students with the skills and knowledge to become active citizens in their communities and contribute to the global economy.

Program Elements: Basic Education and Higher Education:

There are two Program Elements under the Education Program Area: Basic Education and Higher Education:

Under the Basic Education Program Element, USAID aims to sustain improvements in learning outcomes in K-12 schools especially in the focus governorates of Aswan, Beni Suef, Qena, Minya, Fayoum, Alexandria, and Cairo. This is achieved by improving the quality of teaching and learning, expanding equitable access and coverage, and strengthening school management and community participation in education. USAID supports improved teaching and learning through teacher training as well as the - provision of school libraries and information technology. Expanded equitable access to and coverage of the educational system is provided via school construction, early childhood development for school readiness, parent education program regarding girls education, girls scholarships and adult literacy. Finally, to strengthen the management of the K-12 educational system, USAID trains school supervisors and administrators, increases community participation via Boards of Trustees (BOTs) and other groupings, and decentralizes management of schools.

Under the Higher Education Program Element, USAID's strategy targets, among other goals, expanding access to quality higher education and fostering skill development opportunities for disadvantaged youth. Egypt's youth need market relevant skills to compete for jobs and contribute to economic development. Funding hereunder will provide scholarships for 54 students from across Egypt to receive an undergraduate education at the American University in Cairo. 29 Fulbright fellows will receive Master's Degree training in the U.S.

IV. RESULTS AND INDICATORS

USAID assistance under this Agreement will focus on three results that contribute to the achievement of the Investing in People Objective, Education Program Area. These results are: 1) Improved Quality of Teaching and Learning in K-12 Schools; 2) Expanded Equitable Coverage at K-12 Schools; and 3) Strengthened Management of K-12 Schools. Annual targets are for the period up to December 31st, 2011.

Result 1: Improve the Quality of Teaching and Learning in K-12 Schools:

This result measures success in providing quality student-teacher and on-the-job teacher (in-service) training using active, child-centered teaching methodologies to sustain improved learning outcomes. Based on the Egyptian national education standards, the impact measure used is the Standards-based Classroom Observation Protocol for Egypt (SCOPE) which assesses improvements in teaching behaviors in USAID-supported schools.

Annual Target: A 15% annual increase in SCOPE scores in USAID-assisted schools.

Result 2: Expand Equitable Coverage at K-12 Schools: This result measures success in providing equitable access to and coverage of basic education, with a focus on socio-economically disadvantaged populations and girls. USAID assistance supports raising community awareness of the importance of education, with a special emphasis on girls, and provides school construction and community schools to respond to the increased demand. In addition, USAID's support for the MOE's Adult Education Authority increases the functional literacy of the adult population, especially women who have an impact on student learning. Scholarships are financed for girls in targeted areas.

Expanded access results in increased coverage as measured by completion. The Completion Rate for the Primary Stage will be used measure success in this area. This measure is defined as the percentage of children joining the primary stage who complete it in the intended 6 years in USAID-supported school. **Target: An annual increase in the Primary Stage Completion Rate of 7% is expected over baseline level in USAID-supported schools.**

Result 3: Strengthen Management of K-12 Schools:

This result measures success in strengthening the management of K-12 schools as reflected in the Egyptian national standards. To improve the efficiency of the K-12 educational system, USAID will support management training of school administrators, increased community participation via Boards of Trustees and other groupings, and decentralized management of schools. USAID will provide support to local organizations in creating collaborative, local partnerships for participation in the delivery and oversight of educational services. The achievement of this result is measured using the Management Assessment Protocol (MAP). **Target: A minimum of 7% annual improvement in MAP scores in USAID-supported schools.**

V. BENEFICIARIES

The ultimate beneficiaries of this program will be K-12 children and young adults in the seven focus governorates of Alexandria, Cairo, Fayoum, Beni Suef, Minia, Qena, and Aswan. A portion of the assistance will benefit a wider group of Egyptians nationwide, including pre-school children aged 3-5 through Alam Simsim, all pre-school and public school students aged 3-18 who will be provided with supplementary educational materials and library books and reference materials, the school graduates who will receive scholarships in Egypt, and parents who will receive training on or involvement in support of their children's education. Particular attention will be paid to intermediaries who immediately affect the young beneficiaries, including teachers, trainers, supervisors, and school principals as well as Ministry of Education (MOE), Ministry of Higher Education (MOHE), and Government of Egypt (GOE) personnel at all levels within the focus governorates.

VI. ACTIVITY DESCRIPTIONS

In order to satisfy USAID's planning requirements, activities must meet essential selection criteria. These include demonstrated conformity with the Investing in People Objective, and Education Program Area, a clear relationship with the intended results, the measurability of results and distinct identity of the activity, and proposed costs which are commensurate with anticipated benefits.

The planned level of assistance for each project is subject to the achievement of performance standards, the availability of funds to USAID for this purpose, and the mutual agreement of the Parties to proceed, at the time each increment is provided.

Under the Education Program Area of the Investing in People Objective of the Foreign Assistance Framework, there are twelve activities funded under this Agreement. Ten of these fall under and support the Basic Education Program Element: i) Alam Simsim; ii) the New School Program (NSP); iii) the Education Reform Program (ERP); iv) the School Team Excellence Award Program (STEAP); v) Good Governance in Education (GoodGIE); vi) Technology for Improved Learning Outcomes (TILO); vii) Girls Improved Learning Outcomes (GILO); viii) Youth Improved Learning

Outcomes (YILO); ix) Environmental Education; and x) the Integrated School Sanitation and Hygiene Project:

Two of the twelve activities funded through this Agreement fall under the Higher Education Program Element: i) The Leadership in Education and Development (LEAD) Scholarship at AUC; and ii) the Egyptian Scholarship Program with the Binational Fulbright Commission (BFC).

Following are descriptions of the main ongoing activities that have been supported from the funds allocated to this Agreement and its predecessor agreements and amendments.

i) **Alam Simsim:**

The purpose of the Alam Simsim II activity is to provide a bridge to sustainability for the Alam Simsim show which prepares children for school, promotes the education of girls, and encourages positive health and environmental behavior practices. Current activities include: (1) support toward an additional broadcast season; (2) public service announcements on literacy, girls' education and health; and (3) a village-based parental outreach and training program for disadvantaged communities. *(Counterpart: Ministry MOE)*

ii) **The New School Program (NSP) and Girls Improved Learning Outcomes:**

The purpose of NSP is to increase access and enrollment of girls in underserved communities in Minya, Beni Suef and Fayoum. This is achieved through a mix of advocacy work, community mobilization, new school infrastructure (primary, preparatory and community multi-grade schools), and improvements in teaching quality. Through a Global Development Alliance (GDA) with Vodafone Egypt Foundation, the new schools were provided with school-based Information Communication and Technology (ICT) Centers, thus introducing computer-based learning for students, teachers, administrators and community members. This activity has become a model of school-based reform, piloting child-centered learning, educational standards, cumulative assessment, strong community engagement, and effective use of IT in public schools, among others; *(Counterpart: Ministry: MOE)*

iii) **Education Reform Program**

The purpose of Education Reform Program (ERP) is to support sustained improvements in learning outcomes in the seven focus governorates by improving the quality, coverage and management of K-12 schools. While one part of the ERP (EQUIP 1) implements innovative approaches to improve school quality, community participation, teaching and learning processes and school management in a selected family of schools (FOS), 30 to 40 schools in one district in each of the seven governorates, the other part of the program (EQUIP 2) establishes the foundation for sustainable reform through institutional and systemic improvements. This multi-level approach stimulates interest and commitment to quality education at all levels of society, from the parents, the community, and the local education officials up to the Ministry of Education (MOE) senior officials at the highest levels.

EQUIP 1 provides training for teachers in child-centered methodologies in Arabic, Science and Math and for administrators in school management, and helps establish Boards of Trustees in 256 primary, preparatory, and secondary schools in seven districts. To improve access and reduce overcrowding, it also constructs schools; provides scholarships for underserved populations, especially girls; and supports adult literacy programs.

EQUIP 2 supports the MOE in: 1) developing a quality assurance system to improve education in accordance with the national education standards; 2) establishing sustainable systems for educators' professional development through the Teachers' Cadre, the related Teachers' Academy, and the Leadership Program; 3) decentralizing finances and decision-making authority to the district and school levels to increase efficiency and improve the quality of education; and 4) Strengthening Educational Management Information Systems (EMISs) at all levels to support information-based decision making. *(Counterpart Ministry: MOE)*

iv) **The School Team Excellence Awards Program:**

The purpose of STEAP is to motivate: 1) schools to work as teams to improve school quality; and 2) teachers to improve student learning through active learning methodologies. In this nationwide grassroots effort, teachers

teachers, administrators and community members from all primary and some preparatory schools strive to improve their schools based on the Egyptian national education standards. Using a cascade, incentives-based approach, the program trains master trainers and teachers to work with schools and other MOE personnel at all levels to develop and implement school improvement plans. Awards are based on objectively verifiable data and independent assessment; *(Counterpart: Ministry: MOE)*

v) **Good Governance in Education:**

The purpose of the Good Governance in Education activity is to support Egyptian civil society in its efforts to: 1) improve the standards of accountability and transparency for the delivery of education; 2) provide for greater citizen participation in the design and oversight of schools, and 3) encourage the development of civil society partnerships for the purposes of policy dialogue and service delivery; *(Counterpart: Ministry: MOE).*

vi) **Technology for Improved Learning Outcomes :**

The purpose of TILO is to sustain improvements in learning outcomes through the use of information technology (IT). TILO is designed to improve student learning by upgrading the quality of teaching as well as school management through the use of technology in 210 public primary and preparatory schools in USAID's 7 focus governorates plus 85 of the Ministry of Communications and Information Technology's (MCIT) public experimental Smart Schools at the preparatory level. *(Counterpart Ministry: MOE).*

vii) **Girls Improved Learning Outcomes:**

The purpose of GILO is to improve the quality of education and learning achievements of girls in K-9 in at least 300 schools by: 1) expanding equitable access and coverage of K-9 education for children, especially girls, in remote and deprived areas; 2) improving the quality of teaching and learning in targeted districts and schools; 3) strengthening education management through increased parent, community and civil society participation in supporting education; and, 4) strengthening the organizational and institutional capacity of the relevant GOE authorities to adopt innovative approaches for increasing the efficiency of school construction and maintenance. *(Counterpart Ministry: MOE)*

viii) **Youth Improved Learning Outcomes:**

YILO aims to sustain improvements in student learning outcomes among secondary stage students through improved teaching, strengthened school management, and enhanced systems. *(Counterpart Ministries: MOE and MOHE).*

ix) **Environmental Education:**

The purpose of the Environmental Education activity is to foster environmental education in schools and community organizations in ways that actively engage students in their neighborhoods and local environments; and to increase community participation by building awareness of the relevance and value of environmental education. *(Counterpart Ministry: MOE)*

x) **Integrated School Sanitation and Hygiene Project:**

The purpose of this activity is to promote sanitation and hygiene through schools by adopting a child to child, child to parents and parents to the community approach and use it as an entry point to secure a safe environment which promotes children's physical, mental and emotional growth and development, and to improve community access to safe water, improved sanitary facilities and better hygiene practices. *(Counterpart Ministry: MOE).*

xi) **The American University in Cairo (AUC) LEAD Scholarship Program:**

The purpose of the AUC LEAD activity is to provide a group of qualified public school graduates, who otherwise could not afford it, with access to a western, liberal arts education at AUC. These young men and women will be prepared to enter the job market and will gain the skills and knowledge necessary to become leaders in development in Egypt and their communities. Two students, one male and female, from each governorate are selected annually for the program based on comprehensive selection criteria, including academic achievement and community service. *(Counterpart Ministry: MOHE)*

xii) **The Egypt Scholarship Program with the Binational Fulbright Commission in Egypt (ESP):**

The purpose of this grant is to enhance the Egyptian Student Program of the Binational Fulbright Program, which provides one-year master's degree grants to Egyptian students wishing to pursue postgraduate studies in the U.S. USAID's support will 1) increase the number of Egyptians who participate in the program; 2) lengthen the duration of awards from one to two years; and, 3) reach wider and deeper into Egypt's minorities and governorates so that students of merit will have access to the program, regardless of where they live. Over two consecutive years, 29 Egyptian students will be selected to complete two-year Master's degree programs at U.S. universities. *(Counterpart Ministry: MOHE)*

VII. ROLES AND RESPONSIBILITIES OF THE PARTIES

USAID and the Ministry of International Cooperation (MIC) will manage this Agreement jointly; in particular signing and amending the Agreement.

Implementation of activities funded under this Agreement may be carried out by the GOE and a combination of U.S., international and local organizations working under grants, cooperative agreements and contracts in support of the Objective.

A. Grantee: The Government of Egypt

As the provider of public services in Egypt, the GOE establishes policies and program guidelines within which development partners provide assistance. Each counterpart Ministry identified under Section VI above will be responsible, on behalf of the Government of Egypt (GOE), for overall implementation of the respective activity. The counterpart Ministries are responsible for ensuring that appropriate staff and infrastructure are in place to support the education activities to be carried out hereunder. In addition, they are responsible for collaborating with USAID to review program priorities and approaches, and to participate in planning and implementation processes.

B. USAID

USAID, as the funding agency for this Agreement, is responsible for executing contracts and grants to implement approved activities needed to achieve the results described in this Agreement. USAID will enter into such grants, cooperative agreements and contracts only after consultation with the relevant GOE implementing partner.

C. Other Partners

Additionally, implementing partners currently include the seven education reform governorates, American Institutes for Research (AIR), Academy for Educational Development (AED), Creative Associates International (CAI), Research Triangle Institute (RTI), their subcontractors, and others to be determined.

The private sector, U.S. and international Private Volunteer Organizations (PVOs); and U.S., international, and Egyptian Non-Governmental Organizations (NGOs) are also expected to participate in the planning and implementation of this program, and to make a substantial contribution toward achievement of the objective of this Agreement. International grantees may play a role in providing services where the Egyptian public and private sectors have limited capacity at present, and in developing that capacity by training and demonstrating the potential of innovative, effective approaches.

There are several such donors, international institutions, and working groups involved in the education arena in Egypt. These are led by the World Bank (WB), the European Commission (EC), the United Nations System UN), and the Canadian International Development Agency (CIDA). The Education Donor Assistance Group (DAG) meets regularly to coordinate assistance to Egypt's education sector. The WB is assisting the GOE with secondary and post-secondary education systems, including technical/vocational education. The EC is providing a sector budget support program based on the achievement of Egyptian National Education Strategy (ENES) related benchmarks. USAID coordinates closely with the WB and EC on program implementation and policy reform.

VIII. MONITORING AND EVALUATION

The customized and standard indicators specified above will be used to track and measure progress toward achievement of the objectives of this Agreement, influences the allocation of financial resources, and monitors performance. Management information systems, complemented by activity reports, will provide the basis for annual assessments of overall progress toward program goals and objectives. Therefore, all activities funded under this Agreement will include reporting requirements to help USAID and the GOE to monitor achievement of activity results and performance targets. In addition, USAID, in consultation with the appropriate partner, will use performance data as the basis for recommending adjustments in targets, indicators and activities.

Measures of performance will be based on several sources, including the GOE, USAID and other donor-financed studies, and partner activity reports. The monitoring and evaluation part of this Agreement will collect data for measuring performance towards achieving the results specified above, results of the Agreement, and specific project and activity level results and accomplishments.

Ad hoc evaluations and assessments may be conducted to answer specific program design and implementation questions.

IX. FUNDING

The financial plan for the Program is set forth in the attached tables. Changes may be made to the financial plan by representatives of the Parties without formal amendment to the Agreement, if such changes do not cause USAID's contribution to exceed the amount specified in Section 3.1 of the Agreement.

**BASIC EDUCATION ASSISTANCE AGREEMENT
ILLUSTRATIVE FINANCIAL PLAN
USAID Contribution (\$)
NO. 263-0286**

Budget Input	Previous USAID Obligations \$	Change	Revised Previous Obligations	This Obligation \$	Total Obligations to Date \$	Anticipated Future USAID/Egypt Obligations \$	Total Planned USAID Contribution \$
Education Reform and Pilots	176,924,789		176,924,789	0	176,924,789	0	176,924,789
Training	33,499,876		33,499,876	0	33,499,876	0	33,499,876
NGOs Services and Scholarship	9,151,374		9,151,374	0	9,151,374	0	9,151,374
Project Management (per. Audit, ass. Evalu.)	3,911,345		3,911,345	0	3,911,345	0	3,911,345
Subtotal	223,487,384		223,487,384	0	223,487,384	0	223,487,384
<u>3.2 Education</u>	74,747,433		74,747,433	56,971,000	131,718,433	14,508,392	146,226,825
Basic Education	55,521,093	8,040,428	63,561,521	46,971,000	110,532,521	14,508,392	125,040,913
Higher Education	19,226,340	(8,040,428)	11,185,912	10,000,000	21,185,912	0	21,185,912
Total	298,234,817	0	298,234,817	56,971,000	355,205,817	14,508,392	369,714,209

BASIC EDUCATION ASSISTANCE AGREEMENT

ILLUSTRATIVE FINANCIAL PLAN
USAID Contribution (LE 000)
NO. 263-0286

Budget Input	Previous GOE Contribution FT 800	FY 2008 GOE Contribution FT-800	Total Planned USAID Contribution
Education Reform and Pilots	0	0	0
Training, LEAD Scholarships, FOE Reform	99,000	0	99,000
NGOs Services and Scholarship	150,000	0	150,000
Project Management (per. Audit, ass. Evalu.)	0	0	0
Employer Share of Social Insurance, airfare tickets and medical checks	21,260	763	22,023
Total	270,260	763	271,023

* The A.R.E. Contribution from the FT-800 Account represents payment for the employer share of social insurance and airfare.

* Necessary In-Kind contributions are now described in physical terms and are no longer monetized as per prior year Illustrative Financial Plans