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# Managing Public–Private Partnership

*Lessons from  
Literacy Education in Senegal*

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A study prepared for the World Bank

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## Foreword

One of the Education For All (EFA) targets is to halve the rate of adult illiteracy by 2015. The importance of reaching this goal is widely acknowledged. Accelerated expansion of primary education will help. However, the literacy target cannot be reached without a sharply increased provision of basic education to adults and out-of-school youth who have either not had access to primary education, or who have dropped out before gaining basic literacy. This is particularly the case in Sub-Saharan Africa where high illiteracy and low basic education attainment represent a serious constraint on a countries' ability to reach national economic, social and political development goals.

The launching of The United Nations' Literacy Decade (2003-2012) illustrates well the importance given to literacy and basic education at the international level. The Decade will focus on the needs of adults, with the goal that people everywhere should be able to use literacy to communicate within their own community and in the wider society. Earlier efforts have failed to reach the poorest and most marginalized groups of people, including the majority of rural women in Africa. Therefore, the Decade will particularly address the needs of such populations.

Literacy efforts up to now have often proved inadequate, at both national and international levels. Therefore, it is important to develop more effective and efficient ways of delivering literacy programs. This includes efforts to link literacy programs more effectively with strategies of poverty reduction and with programs in agriculture, health, HIV/AIDS prevention, conflict resolution and other social concerns. Furthermore, diverse and meaningful literacy requires flexible modes of acquisition and delivery, using appropriate materials and languages, focusing on relevant purposes, and generating interesting, culturally relevant and gender-sensitive materials at the local level. Finally, strong community ownership of the purposes and processes of literacy is indispensable to ensuring that programs are flexible and responsive to the demands of adult learners, and to ensure sustainability.

Senegal has pioneered an approach to adult functional literacy education that responds to many of the above concerns. In this model, the government outsources the actual provision of services to civil society and local social entrepreneurs. The model is known as "*faire-faire*" (getting things done). Its originality lies in the use of many small providers who usually are village-based, each implementing a small liter-

acy project—rather than signing contracts with big provider organizations to implement large-scale projects. The model has influenced policy on adult literacy education in several other countries, and there is wider international interest in it beyond the West African region. Therefore, the purpose of the present study is to explore what can be learned from the Senegalese experience. Among questions asked are: How well is it working? What organizational mechanisms are used? How have procedures evolved in response to issues arising during implementation? What is the cost? The study concentrates on the procedures used and on the practical management lessons from implementation. It argues that the partnership

model used in Senegal can be adapted to other countries and be flexibly adapted to different local contexts and needs. An added advantage may be the potential for quick expansion of delivery.

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# Acronyms

AGETIP	Agence d'Exécution des Travaux d'Intérêt Public (Contract-Managing Agency)
CIDA	Canada International Development Agency
CBO	Community-Based Organization
CDF	Comprehensive Development Framework
CNEA	Comité National de l'Élimination de l'Analphabetisme (National Committee to Eliminate Illiteracy)
CNOAS	Coordination Nationale des Opérateurs en Alphabétisation au Sénégal (Providers' Association in Senegal)
DAEB	Direction de l'Alphabétisation et de l'Éducation de Base (Government Agency for Literacy in Senegal)
ICR	Implementation Completion Report
IDA	International Development Association
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit (German Technical Cooperation)
NGO	Non-governmental Organization
NPV	Net Present Value
PADEN	Projet Alphabétisation des Elus et Notables Locaux, Literacy project targeted at building capacity of local officials
PAPA	Programme d'Appui au Plan d'Actions (Literacy Support Program)
PAPF	Projet d'Alphabétisation Priorité Femmes (Women's Literacy Project)
PCU	Project Coordination Unit (also designed as CCS: Cellule de Coordination et de Suivi du Projet)
PPP	Public-Private Partnership
PRA	Participatory Rural Appraisal
SAR	Staff Appraisal Report
UNESCO	United Nations Educational, Scientific and Cultural Organization
WDR	World Development Report

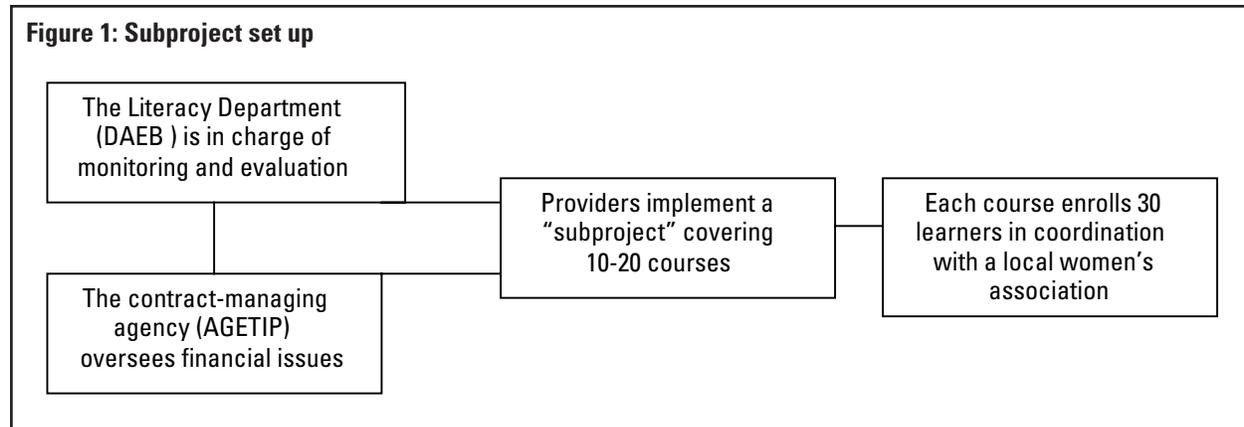
## Executive Summary

This study describes a model for public-private partnership used in a women's literacy project, or *Projet d'Alphabétisation Priorité Femme* (PAPF), in Senegal. The focus is on practical experience, and lessons learned with regard to outsourcing literacy courses to the private sector. The government's literacy department, the *Departement d'Alphabétisation et de l'Education de Base* (DAEB), maintained responsibility for policy formulation, monitoring and evaluation; and private providers received financing from the government to implement local literacy courses. The providers consisted mainly of local community-based organizations (CBOs).

During a period of five years (1996–2001), the Women's Literacy Project enrolled almost 200,000 participants in local-language literacy courses.<sup>1</sup> Within this project, each provider implemented a small project, or “subproject”, covering between 10 and 20 courses in a corresponding number of villages. Each course enrolled roughly 30 learners, mostly women. A course instructor, whose salary was paid by the provider, conducted the classes. The participants not only learned to read and write, but also received instruction in health and hygiene, and in income-generating activities.

In all, over 300 separate subprojects were financed—most of which used learning approaches, language instruction, and a schedule that was decided locally and with the participation of the beneficiaries themselves. Most courses worked in close cooperation with local women's associations, which facilitated the organization of the courses (see Figure 1). Some of these associations later became literacy providers in their own right. The private sector was used not only for the actual provision of courses, but also for management of funds through a contract-managing agency, *Agence d'Exécution des Travaux d'Intérêt Public* (AGETIP).

As noted in Figure 1, the main stakeholders in the PAPF partnership were the beneficiaries, the provider organizations, the department responsible for adult literacy education (DAEB), and the contract-managing agency (AGETIP). The providers bid for public funds to finance their projects. “Outsourcing” in this text is used to describe the process, by bidding, through which public funds are made available to private providers for implementation of literacy services.<sup>2</sup> In the PAPF, a “procedures manual” explained the bidding and selection process, and the requirements of the successful



bidder. The procedures manual required each provider, in cooperation with villagers, to prepare a literacy subproject proposal. The procedures manual defined a standard unit price that the successful bidder received for each beneficiary enrolled in literacy classes. Hence, the bidding was not a competition for the lowest cost, but instead, for the highest quality. The subproject proposals were checked for accuracy at the local level by government staff. They were then sent to a selection committee that analyzed all the proposals and decided which ones should be financed. The proposals approved for financing were sent to the contract-managing agency (AGETIP), which established contracts, paid the providers, and managed and verified the contracts. After obtaining the first installment of the funds, the providers began implementing the subproject.

The main stakeholders of the Women's Literacy Project (PAPF) were the learners. They were usually members of a women's organization. A longitudinal study of the outcomes of PAPF indicated a higher success rate in communities where the subproject was based on an existing women's association, and where the villagers had set up a local management committee at the start of the implementation phase (DAEB, 2001). If such associations and committees did not exist in the target zone, the PAPF required that the providers facilitated their creation. Where such an association already existed, the subprojects improved it by

providing management and accounting courses for its leaders. The women's associations often encouraged women's participation in local decision-making, including village management and maintenance.

The provider organizations responsible for implementing subprojects included community-based organizations, religious associations, and larger non-governmental organizations. The PAPF aimed at creating additional providers through giving new associations and organizations access to funding. The selection criteria reflected this aim. If the selection criteria had been stricter, the program would have strengthened the existing providers instead of facilitating the creation of new ones.<sup>3</sup> In the PAPF case, stricter selection criteria may have yielded better results, but would have created less grassroots activism and fewer opportunities for program expansion.

Many providers belonged to an umbrella association, the *Coordination Nationale des Opérateurs en Alphabétisation au Sénégal* (CNOAS), which had as its aim to coordinate the literacy providers' activities. This provider organization disseminated information for the PAPF, and was also used to ensure transparency in the bidding and selection process. However, CNOAS did not play a key role in the PAPF partnership. The reduced level of intervention of CNOAS may partly be due to its lack of permanent salaried staff (the staff responsibilities were held by elected providers).

It is hoped that the association will be involved in setting ethical standards of conduct for the providers and that it will arbitrate in dispute cases.

The government's literacy department (DAEB) was responsible for data collection and technical evaluation of the subprojects. The technical evaluation had as its objective to ensure that the lessons corresponded to the participants' requirements, and that the provider had hired good instructors for the courses who were using adequate teaching methods to conduct the classes. The contract-managing agency (AGETIP) was responsible for financial monitoring, i.e., to check that the providers spent funds according to the agreement between the provider and the government. However, both AGETIP and the DAEB had problems in implementing the monitoring and evaluation work. The Project Coordination Unit (PCU), a separate unit set up to oversee project implementation for the PAFP, did most of the monitoring. It functioned as an independent unit that coordinated with DAEB, and reported to the World Bank and to the Ministry of Education's cabinet. However, inefficient monitoring and evaluation led to lack of accurate information on the learning outcomes and impact of the literacy courses. Data reported were often contradictory and did not establish a clear overview of the impact of the program. Also, rules preventing inadequate behavior and misconduct were not enforced sufficiently well. Poor monitoring and slack enforcement of rules led to reduced accountability of certain providers, most likely resulting in substandard results in many subprojects.

The PAFP financed different types of literacy courses. Most courses separated literacy and post-literacy activities, i.e., post-literacy subprojects were selected and financed after the literacy project had been implemented. A new type of subproject, which integrated literacy and post-literacy activities, was found to yield better results and was increasingly used by the

PAFP. The (non-integrated) courses had been organized as a one-time event, i.e., the providers implemented a course without setting up any permanent literacy or reading center in the villages. With the integrated model, however, the providers created permanent literacy centers in the beneficiary villages; and tried to make literacy activities more permanent through the use of a *relais*, a local substitute for the provider-financed instructor. The *relais* was supposed to continue to organize learning activities in the literacy center when the provider's support came to an end.

The integrated program was among the most expensive of its kind in Senegal, and had a base unit cost of about \$50<sup>4</sup> per person for a course intended to cover over 450 hours, normally completed in less than 18 months.<sup>5</sup> If the program costs at government and outsourcing agency levels were added, the unit cost came to \$58, with an initial investment cost in human capacity building and materials of \$12. The public cost per enrollee can thus be estimated at \$70, whereas the private costs incurred by the learner usually did not exceed \$26 (opportunity + direct costs).<sup>6</sup> This investment was designed to provide a package of advantages both for the participant and for the community. The participant had, in many cases, direct economic benefits inasmuch as he or she learned some income-generating activities, how to keep track of income, establish a bank account, and become eligible for micro-credit programs. Intended non-monetary benefits included better health. The providers were expected to coordinate with vaccination initiatives and with other local public health programs. In addition, some of the learning materials dealt with health issues. The community may have benefited from the programs insofar as their markets became more efficient, health-related expenses were reduced, and literate people became more resourceful participants in local development initiatives and in the civil society. However, the degree of impact which literacy training had on each of these benefits

is difficult to gauge empirically and depends on the quality and focus of each subproject.

The return on investment, in comparison to primary education, is believed to be *quicker* for adult education than for education of children, since the newly acquired knowledge can be put into use immediately. In the PAF, as in other cases where use is made of market mechanisms, the use of competitive bidding was intended to improve cost-effectiveness. However, the benefit of competition was constrained by the fact that services were purchased by the government on behalf of the beneficiaries, not by the beneficiaries directly. Hence, new projects in Senegal are currently seeking to involve the villagers in the process of selecting providers to better ensure that the services purchased are appropriate to the beneficiaries' specific situation.

The lessons learned through the Women's Literacy Project (PAF) are institutional, economic and literacy-specific in nature. Key findings from the analysis of the outcomes and references to sections of the present study are as follows:

### Section I: The Process of Outsourcing

1. The partnership approach requires strong political support.
2. Systematic involvement of beneficiaries in planning and implementation is needed to ensure that the program is driven by grassroots demand.
3. An umbrella association of providers is important for information dissemination, and as a safeguard for fair selection.<sup>7</sup>
4. The use of an independent contract-managing agency can ensure rapid set up of contracts, and timely transfer of funds.
5. Monitoring and evaluation are key to high quality project performance. A good monitoring and evaluation system should be set up *before* implementation of sub-

projects. Adequate decentralization of monitoring and evaluation is important.

6. A system of sanctions is needed to deal with weak implementation and with embezzling of funds. Sanctions must be rigorously enforced.
7. The procedures manual should be as practical as possible, and clearly explain how funds are obtained. Methods for interaction with the villagers, e.g., through Participatory Rural Appraisal (PRA) techniques, should be described.
8. Likewise, the contract between the providers and the government should be as clear as possible, and provide concrete guidelines for the desired *input* (i.e., characteristics of beneficiaries) and *output* (i.e., learning impact) of the partnership.
9. A technical (not political) committee should select providers. The committee should include representatives from civil society to ensure fairness and transparency.

### Section II: The Courses

10. Use of an "integrated" type of program, combining literacy teaching with functional skills demanded by the beneficiaries, boosts the participants' enthusiasm to participate in the courses; literacy training may successfully be coupled with income-generating and other poverty-alleviating activities.
11. Teaching could in many cases benefit from more use of peer tutoring and group-work methods to ensure better and more rapid acquisition of reading and writing skills.
12. Creation of women's associations and training of the associations' leaders in management and accounting will, in many cases, have beneficial effects on the village's social structure, facilitating

women's participation in decision-making, including village management.

13. Use of a local substitute instructor who has been specifically trained for continuing literacy activities after the provider finishes its intervention can be a means to preserve continuity after the "outsourced course" is completed.

### **Section III: The Costs**

14. Often, the most expensive cost factors in a literacy project are dropout and failure to pass the final exam (i.e., failure to learn to read and write). Extra investments can, in many cases, be well justified if they improve retention and completion rates.
15. A minimum success rate target could be indicated in the procedures manual and in the subsequent contracts between the providers and the contract-managing agency, as a means to ensure adequate completion.
16. Another important factor for cost-effectiveness is to ensure that the enrollees correspond to the target beneficiary characteristics (e.g., that priority is given to enrollment of illiterate or semi-literate people—if that is an explicit target criterion).
17. Clear indicators for success should be established; a clear and fair monitoring and evaluation system is needed; and it is essential to check that the targets in program enrollment, retention and success are upheld.
18. Waste could be reduced through ensuring that the defined indicators correspond to the program goals, and that the tests administered to the beneficiaries include indicators of these goals.
19. To avoid misuse of funds, one should ensure that the penalty for fraud is greater than the cost to implement the program (through use of fines and other penalties).

## Introduction

This study analyzes the use of outsourcing as a method for implementation of a large-scale literacy program in Senegal. The focus is on implementation experience and on practical lessons learned from that experience. The first part of the report defines outsourcing and explains when and how it can be used. The second part is more specifically literacy-oriented and analyzes the impact at the local level of the program in question. The third part examines the costs involved.

Targets for improved adult literacy were agreed at the World Education Forum in Dakar in 2000. The case for adult literacy programs has also been further examined in several recent World Bank publications that review findings on the cost and impact of such education (Abadzi, 2003; Oxenham et al, 2002, Carr-Hill et al, 2001, Lauglo, 2001). Though more research is needed for better documentation of impact, the present study assumes that the case for adult literacy and related education rests on a strong enough international consensus to justify more attention on issues of implementation.

In many countries, primary education is still far from universal, and there is therefore a need to offer basic education to adolescents

and adults who have missed out on primary schooling. With the achievement of universal primary education—the target year is 2015—the objectives of adult education provisions in Sub-Saharan Africa may shift toward serving those who already have acquired basic literacy and numeracy skills in school.<sup>8</sup> In a situation of shifting target groups, many countries may not wish to invest in a top-heavy implementation system that relies on public providers, and may wish to use a more flexible approach to literacy education. One such approach is a public-private partnership model known as *faire-faire* in French (“getting things done”), which is used to implement women’s literacy courses in Senegal. Some of these literacy courses were organized under the IDA-funded Women’s Literacy Project or *Programme d’Alphabétisation Priorité Femmes* (PAPF). The present study describes how this model worked in the case of PAPF, what the problems were, and how these problems were addressed.<sup>9</sup>

PAPF was one of several projects in Senegal. After independence in 1960, Senegal achieved limited results in implementing youth and adult literacy courses. In 1995, a new implementation strategy was tested to determine whether private providers (including NGOs, CBOs, and religious associations) could deliver literacy

education more efficiently. The strategy, based on government outsourcing of literacy services, became widely used from 1996, and was closely linked to Senegal's goal to accelerate development of basic education. The Canadian development agency CIDA, together with IDA and GTZ, co-financed the implementation of the strategy through the projects PAPA,<sup>10</sup> PAPP,<sup>11</sup> and PADEN,<sup>12</sup> respectively. The IDA-financed PAPP was implemented between 1996 and 2001. One of its main goals was to test the feasibility of outsourcing, and to check whether the process could be used and expanded nationwide. Because of its success in providing rapidly expanding literacy services to a large population, the project became a model for literacy programs in many neighboring countries, such as Burkina Faso, Chad, Côte d'Ivoire, The Gambia, and Guinea. Likewise, other government sectors in Senegal and elsewhere used PAPP as a model and adopted the "faire-faire" type of outsourcing as a method for implementation of social services. Several new literacy projects in Senegal (of which the major ones are financed by IDA and CIDA) continue to finance literacy courses by using outsourcing.

The Dakar framework for Education For All commits countries to a 50% reduction in levels of adult illiteracy by 2015, specifically focusing on women. Also, literacy programs are discussed in the Millennium Development Goals in conjunction with development among adults, as a strategy to reduce poverty. The national commitment toward adolescent and adult illiteracy have generated further interest in the outsourcing approach, especially in assessing the extent to which it facilitates fast expansion of provision and genuine partnerships between government and non-government providers.

### **Defining outsourcing as used in the Senegalese partnership approach**

*Public-private partnership* (PPP) refers to modes of cooperation (contractual or not)

between the private and the public sectors. PPP in education can be described as a "partnership between the public and private sector for the purpose of delivering a project or a service" and "come in a variety of different legal or contractual forms, but at the heart of every successful project is the concept that better value for money be achieved through the exploitation of private sector competencies and the allocation of risk to the party best able to manage it" (IFC, 2003). The particular partnership model used in Senegal is based on outsourcing of public funds to the private sector for implementing literacy courses. Risk is shared between the public and the private sectors.<sup>13</sup>

The following questions are posed:

- What is outsourcing, and when should it be used? (See Section I on *process* issues);
- How should a successful outsourced literacy program be set up? (See Section II on *course-specific* and *pedagogic* issues);
- What are the costs? (See Section III on *cost* issues);

Many of the advantages and disadvantages in outsourcing of adult and non-formal education are the same as for delivery of other social services, such as preschool programs; social projects targeting street children; refugees and other vulnerable populations; social funds and poverty-alleviation programs. Within a public-private partnership framework, "outsourcing" (or "contracting out") refers to the process through which public funds are made available to private providers for implementation of services.<sup>14</sup> In education, outsourcing has, in some countries, been used to implement services deemed peripheral to education itself, such as school transportation, meals, cleaning, and maintenance. Outsourcing methods have also been used to build infrastructure (construction of schools, hospitals) and to set up support programs (various training, computerized infor-

mation systems). More recently these methods are being used to provide social services, including health care and other public services. In Senegal, outsourcing of the provision of literacy courses is done through a bidding process, where the winning group is contracted to set up and implement a subproject within the larger project or program.

Governments and donor organizations have contracted with private providers to carry out services for three main reasons: (i) the government wishes to concentrate on certain key tasks, and to use private providers for tasks where private provision has a comparative advantage; (ii) in a number of countries, public social services are inefficient; (iii) many donors view private provider-implemented programs as less corrupt than traditional public delivery.

Using private providers to implement social services aims to improve the cost-benefit of delivery but without sacrificing the strong equity concerns of these services. The objective is to achieve faster implementation, higher disbursement rates, and a stronger impact than traditional, government-executed programs. Outsourcing, however, is no panacea; some of the weaknesses of government-implemented programs also apply to provisions outsourced to private providers: “It is often stated that privatization or ‘NGOization’ would reduce corruption but this is seldom rigorously evaluated. Private providers and NGOs can also siphon off or waste funds and perform poorly in terms of service delivery” (Azfar & Zinnes, 2003, p.13). This critique can be applied to many outsourced programs, including those in Senegal. Also, non-formal education or literacy education services are difficult to specify for delivery as per contract. This difficulty, and the problems of monitoring actual delivery, may lead some providers to shirk on supply during the execution of the program. Such shirking is hard to detect (see Section II.4 on monitoring and evaluation).

### **Testing outsourcing: Outcomes of the Senegal project for women’s literacy (PAPF)**

Senegal’s Women’s Literacy Project (PAPF) tried out a new division of responsibility between the public and the private sector in literacy provision. The government responsibilities included policy, definition of administrative mechanisms, guidance, monitoring and evaluation. For its part, the private sector was given responsibility for execution of the project. In the PAPF, private sector execution applied both to the provision of literacy services and to the management of funds. This approach was given the name “faire-faire” by the then Minister of Literacy and National Languages.

During a five-year period (covering 1996–2001), about 200,000 people, of whom 87 % were women, enrolled in literacy training in the local languages of Wolof, Pulaar, Sereer, Joola, Mandinka, and Sonike. Over 180,000 literacy booklets were procured; and about 140 titles of novels and technical books on health, agricultural, technical training, culture, religion, literature, and traditional medicine, were published in the local languages. To contribute to the creation of a literate environment in national languages, five quarterly newspapers, one in each region where the project was implemented, were produced and circulated in six of the local languages. To further improve the acquired skills, the project provided the target villages with books, posters and other learning materials.

The dropout rate from PAPF in the regions covered under the project is estimated at about 15% by the government (DAEB, 2002), considerably less than previous literacy projects in the country.<sup>15</sup> From an international perspective, such low dropout is an outstanding achievement. The low dropout is probably due to the participation of the villagers in establishing and defining the courses, and by involvement of local women’s organizations in the project.

About 312 literacy subprojects were financed out of 960 requests, and 40 post-lit-

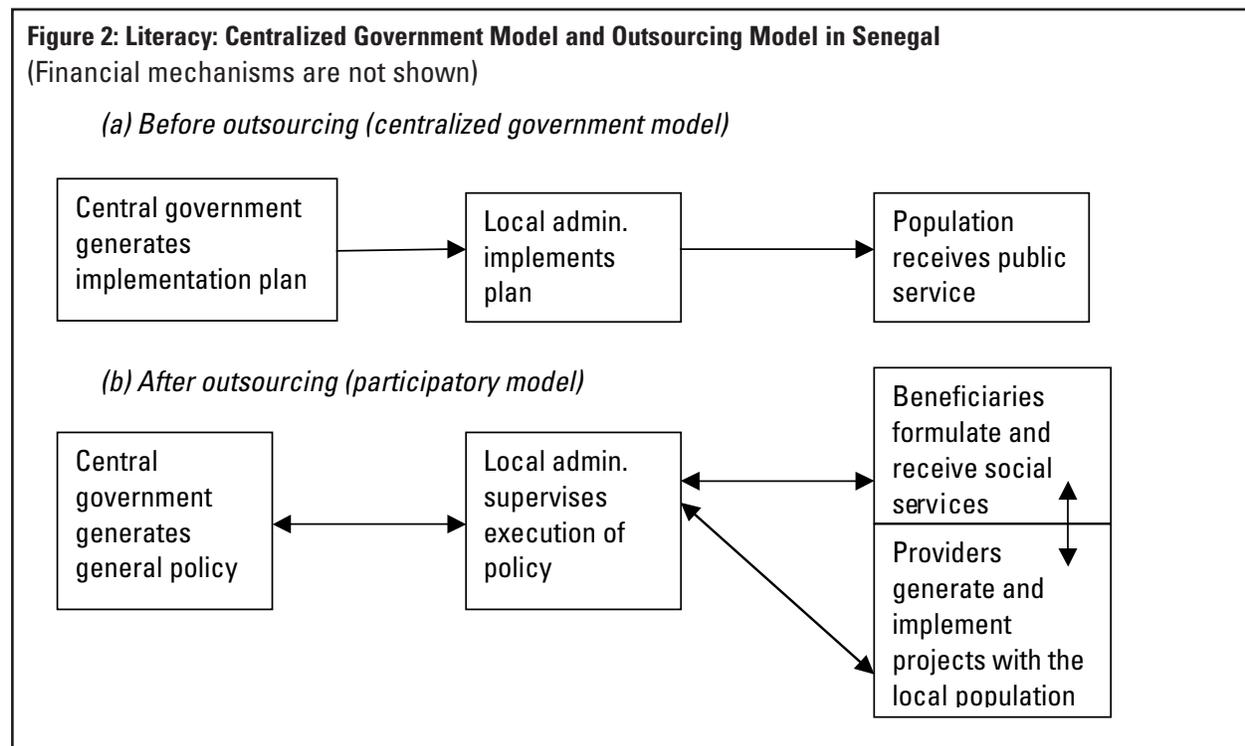
eracy subprojects out of 89 requests (the later “integrated” subprojects included both literacy and post-literacy activities). The participants were trained in literacy and numeracy, and also received basic skills training in health and nutrition, as well as in certain income-generating activities. In addition, some beneficiaries received training in business entrepreneurship and management and administration. The management training was particularly structured to enhance the functioning of the local women’s organizations. In areas where such organizations did not exist, the providers encouraged their creation. The women’s organizations normally followed up and monitored participants’ attendance in the courses.

### The case for outsourcing in the Senegalese context

In Senegal, both private and public project stakeholders claim that the partnership method

improved the literacy sector in two main areas: It improved the courses and made them fit the local context, and it enabled quick expansion of literacy provision. By making the courses fit better to the local context, the local demand for literacy increased. Such development in Senegal is similar to the course taken in other countries where “public service providers have dramatically improved the delivery of their services, and have often reduced their costs too, by using small and even micro-scale local community or private enterprises to fill the gap between themselves and their clients” (Harper, 2000, p.22). Since the providers are based at the community level and can interact with villagers to provide services that are based on local demand, there is reason to believe that outsourcing leads to services that are user-friendly. Figure 2 uses the Senegalese model to illustrate the shift from public implementation to private implementation of public services (management of funds is not shown).

As noted in Figure 2, the outsourcing model as it was set up in Senegal is characterized by a



feedback loop back to the central government. The operation of the feedback system was not always successful, and often relied on supervision from the project coordination unit. Feedback opportunities also exist in some government-executed programs using formative evaluations, ombudsmen, and organizational means of aggregating views “from below” for articulation “high up.” However, PAPF required direct participation of the villagers in planning the subprojects, and in that way rendered the providers more accountable to the beneficiaries. The 2003 World Development Report considers such “short way” of accountability (to beneficiaries), to be generally more efficient than the “long way” of accountability to the Government.

Outsourcing has at times been criticized for undermining democratic decision-making and responsiveness to beneficiaries, since some providers may adjust their approach to coincide with the donors’ funding criteria (Cannon, in Pearce, 2000). Most donors and governments, however, are interested in developing programs that are well received by the population and that respond to genuine needs, not to a set of arbitrary “funding criteria.” They therefore have an interest in building feedback mechanisms that can help steer the project on a path that is desired by the target population, while maintaining cost-effectiveness. The process, at least as it was set up in Senegal, is believed to enhance democracy, rather than undermining the democratization process. If anything, the process will make providers (including non-governmental organizations with their own “agenda”) more responsive to grassroots needs.

The women’s associations and providers in Senegal are good examples of civil society as an “intellectual space where people in a myriad of different groups and associations can freely debate and discuss how to build the kind of world in which they want to live” (Howell & Pearce, 2001, p. 2). The private providers represent different fractions of such a civil society.

The PAPF project had as its objective to activate and create civil society, both at the provider side (i.e., it aimed at creating more providers) and at the beneficiary side (i.e., it aimed at creating local women’s associations that could manage their own literacy activities). Instead of undermining the democratization process, this project has probably stimulated it, giving local women a “voice” in the local development process.

Some of the provider associations have developed an acute sense of marketing their services, and can be compared to small businesses. Community-based organizations (CBOs) are often for-profit. In Senegal, the distinction between non-profit and for-profit is not always clear. Often non-profits will still try to maximize profits so as to be able to pay their staff members a decent salary.

PAPF providers generally fall into three categories as follows:

- International or national non-governmental organizations (NGOs);
- Local development organizations (often language associations, religious non-profits, poverty-alleviation associations, etc.);<sup>16</sup>
- Local community-based organizations (many of which are for-profit women’s associations that have previously received literacy training and that have now become providers in their own right).

It can be argued that the government too, could implement public services based on participatory approaches, by decentralizing the decision-making responsibilities to the lowest possible operational level of government, whether elected or appointed. However, as noted by Harper (2000), in many countries, public administration seems remote from the general population and the level of people’s trust in that administration is low. In Senegal, the colonial legacy was an elite-oriented administration that has historically not been at

ease with participatory decision-making and styles of program implementation. Parents' associations have contributed to a closer connection between the school administration and the community in primary education.<sup>17</sup> In non-formal education, private providers (NGOs and others) appear to have taken the role of such intermediaries, bridging the gap between the administration and the population.<sup>18</sup> Thus, one aspect of the case for outsourcing in Senegal is based on the client-oriented approach of the providers, which would have been difficult to achieve through public delivery.

Outsourcing, as practiced through PAPF, was a quick process of obtaining funds; it took less than one year from proposal to the financing of the subprojects. Such short delays were difficult to achieve through government mechanisms. Also, efficiency was promoted by the providers' competition for financing (although this way of efficiency-maximization had its limits; see Section I.2.vii on selection). In its *Toolkit for Private Public Partnership in Education*, the International Finance Corporation states: "Two obvious conditions need to be met for success—sufficient public funding and the desire by both public and private providers to try the PPP route" (IFC, 2003). In Senegal, these conditions were met, since the government, together with funding agencies such as IDA and CIDA, provided sufficient funding to implement high quality courses, and the partnership-outsourcing approach was constructed in collaboration with civil society organizations, ensuring that the approach was "owned" by both the public and private sectors.

Finally, another aspect of the case for using outsourcing has been the capacity of this approach to achieve rapid growth of provision. Unlike the many cases where development projects suffer from slow implementation and disbursement of funds, the expansion of the PAPF project was constrained by available funding during the project period, not by slow disbursement. The rapid growth was due, among other factors, to the selection criteria,

which aimed at encouraging the creation of new provider associations since it gave new associations easy access to funding. The new providers had many different origins:

- Many provider associations divided into two or more associations. In most cases, some of the core technical personnel in the initial organization set up a new association. This phenomenon of division is, according to PAPF personnel, the most important reason for the growth in the number of provider organizations.
- Retired teachers and civil servants, seeing that there was a market in literacy, established provider associations.
- Associations and organizations that had earlier been interested in other issues, (e.g., sports or diverse youth activities), became interested in providing literacy classes. In many cases, they kept literacy activities separate from these other activities (although the PAPF strongly promoted integration of such other activities with literacy).
- Finally, as noted above, the subprojects aimed to provide support to existing women's associations. In villages where such women's organizations did not exist, the providers helped the women to organize themselves. Many such women's organizations later became providers in their own right.

The multiplication of provider associations was reflected in the number of subproject proposals submitted for funding. In 1995, with the pilot phase of the project, only 77 proposals were submitted, of which 22 were selected. In 1996, 135 proposals were submitted, and 54 selected. Two years later, 189 subprojects were submitted; 68 were selected. In 2000, two selection procedures were initiated (one for the "normal" program and one for the new, "integrated" program; see Section II for description of the integrated program). During this year, a

total of 368 subproject proposals were submitted, and 95 were selected (all data are from DAEB, 2001).

The multiplication of provider organizations does not seem to have adversely affected the quality of the learning, since assessments by DAEB show consistent progress in the learning outcome of the courses. This may partially be a result of the more extensive (and also more

costly) “integrated” courses. A comparison of results between 1997 and 2000 shows the following considerable improvements, in terms of the percent of learners who completed the courses and passed performance tests.<sup>19</sup>

Improved adult literacy rates, and the capacity for fast expansion, while at the same time improving quality, are attractions of the outsourcing approach in Senegal.

**Table 1: Success rates PAPP<sup>20</sup>**

Percent of learners who had the following characteristics at the end of the courses:	1997	2000
Fluency in reading	57%	75%
Ability to write a short text	28%	63%
Ability to resolve problems using arithmetic	6%	44%

*Source:* DAEB, 2001

## The process of outsourcing

**T**he PAPF outsourcing system tried to involve the community stakeholders during the formulation and delivery process. A key aspect of the process was the rapid selection and quick transfer of funds to the providers, which aimed to minimize the time-span between formulation and implementation of subprojects. The establishment of contracts and transfer of funds were handled by a parastatal contract-management agency.

Crucial issues arising from outsourcing are monitoring and evaluation, how to ensure an impartial and fair selection process, and the question of decentralization. Monitoring and evaluation are particularly important in order to prevent substandard results in the execution of the contracted services. Inevitably projects that are based on outsourcing have had substandard results because of the lack of proper monitoring and evaluation. This problem is not unique to outsourcing. With programs that are conceived, implemented and evaluated by the government, problems can arise if quality controls are not instituted “outside” the governing bureaucracy.

Setting up a public-private partnership approach has five stages in the IFC toolkit on education. The PAPF project was not designed

to fit this kit, but it contains all specified activities as shown in Table 2.

In Senegal, the process was cyclical, i.e., stages three through five in Table 2 were repeated every year. Instead of choosing one or two large (international) providers, the Senegalese government opted for many small providers, each catering to a limited number of beneficiaries. This approach stimulated grassroots development within small-scale associations and organizations, thus strengthening civil society. The selection and delivery processes (steps one and two) were reviewed every year through participatory mechanisms to ensure that the performance of both processes and implementation were optimal. The contracts and funding packages were standardized to limit time-consuming negotiations with the providers.

### **How does the selection and implementation process function?**

#### **How is the process set up?**

The tasks of the providers are defined in the procedures manual, which is the legal document informing any interested party about the

**Table 2: Setting up a public-private partnership (adapted from IFC toolkit)**

Stages (IFC toolkit)	Activities (IFC toolkit)	Application in Senegal
Stage One: Assessing service delivery options, including public–private partnerships	<ol style="list-style-type: none"> <li>1. Identify candidates' services or projects for delivery through partnerships;</li> <li>2. Evaluate which new or existing services/projects might be suitable for partnerships based on the government's own policies and criteria;</li> </ol>	<ol style="list-style-type: none"> <li>1. The government identified literacy as a priority area, and established the position of a delegate minister to deal with the issue;</li> <li>2. The delegate minister defined the partnership approach through outsourcing as the preferred method for service delivery;</li> </ol>
Stage Two: Preparing for delivery through public–private partnerships	<ol style="list-style-type: none"> <li>3. Define the project and services to be delivered;</li> <li>4. Select the management team;</li> <li>5. Select the preferred method for choosing the private partner;</li> <li>6. Obtain the necessary approvals;</li> <li>7. Define and determine the evaluation criteria;</li> <li>8. Develop and deliver the public marketing or involvement strategy;</li> </ol>	<ol style="list-style-type: none"> <li>3. A program coordination unit was set up;</li> <li>4. A colloquium gathering of representatives from the Government and civil society (in Kolda) defined service delivery conditions;</li> <li>5. A selection procedure was defined by all stakeholders and written in a procedures manual;</li> <li>6. The procedures manual contained technical evaluation criteria for selection of subprojects;</li> <li>7. Approval was obtained from the Government and IDA for the selection procedure and implementing method;</li> <li>8. A public marketing strategy was defined, based on awareness-raising in rural areas and distribution of the procedures manual to potential providers;</li> </ol>
Stage Three: Selecting the partner	<ol style="list-style-type: none"> <li>9. Issue calls for proposals;</li> <li>10. Evaluate the proposals;</li> <li>11. Select the preferred proposal and proponent;</li> </ol>	<ol style="list-style-type: none"> <li>9. The call of proposals was cyclical; once a year there was a bidding process;</li> <li>10. A technical committee with civil society observers evaluated the bids;</li> <li>11. The preferred proposals were selected for implementation;</li> </ol>
Stage Four: Negotiating and entering into contract	<ol style="list-style-type: none"> <li>12. Commence negotiations between the two parties;</li> <li>13. Prepare the draft contract;</li> <li>14. Reach agreement and prepare a Memorandum of Understanding (MOU);</li> <li>15. Negotiate and sign the final contract;</li> </ol>	<ol style="list-style-type: none"> <li>12. Unit prices were standardized, and there were standard components to be included in the proposal, so negotiations were kept at a minimum;</li> <li>13 – 15. The contracts were standardized, and were issued by the contract-managing agency (there was limited room for individual negotiation);</li> </ol>
Stage Five: Implementing and Monitoring the contract	<ol style="list-style-type: none"> <li>16. Commence the implementation phase;</li> <li>17. Regularly monitor performance;</li> <li>18. Ensure compliance with the contract.</li> </ol>	<ol style="list-style-type: none"> <li>16. The provider implemented the subprojects;</li> <li>17. The government and the contract-managing agency ensured ongoing monitoring of performance;</li> <li>18. A final evaluation (exam of learning outcomes) ensured compliance with the contract.</li> </ol>

way to obtain funds (where to apply, when, how, and what is required after receipt of funds). In principle, the procedures manual is the public sector's tool to state exactly what the government wants in terms of how a project is to be implemented. Hence, the manual needs frequent updates, since the government policies vary over time. In the description below, the PAPF procedures manual 2000-2002 will be the main reference.<sup>21</sup> The procedures manual required each provider, in cooperation with villagers, to prepare a literacy subproject proposal.

In the case of the PAF, the private providers were paid to do the following work:

- In discussion with villagers, establish a service delivery program for non-formal education (i.e., a “subproject”);
- Recruit, pay, provide initial training, and in-service training of staff;
- Upgrade or construct education facilities;
- Procure equipment;
- Implement the subproject (which, in the integrated program usually included post-literacy and income-generating activities, as well as training of the local women's association's leaders);
- (In the integrated program): Initiate a process to achieve sustainability of learning activities through the training of a *relais*, and through the set up of a permanent learning and resource center in the village;
- (In the integrated program): Coordinate literacy activities with other organizations implementing local development initiatives;
- Monitor and evaluate the progress of service implementation.

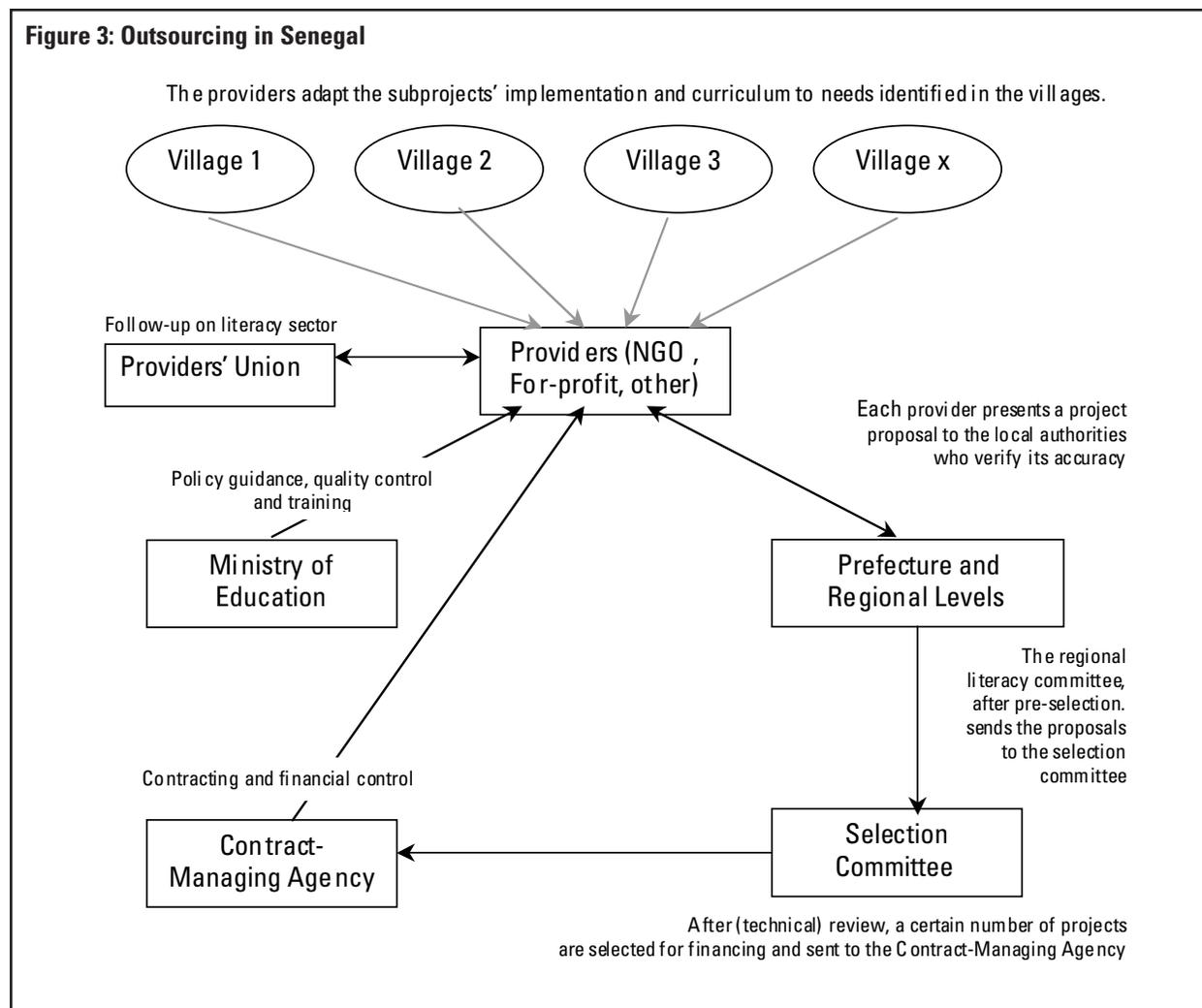
The subproject proposals were checked for accuracy at the local level by government staff.<sup>22</sup> They were then sent to a selection committee that provided a technical analysis of all proposals and decided which ones should be

financed. The composition of the selection committee included literacy professionals from the government as well as representatives from the providers to ensure transparency and fairness in the selection. The proposals approved for financing were sent to a parastatal contract-managing, or “outsourcing” agency (AGETIP—Agence d'Exécution des Travaux d'Intérêt Publique), which established contracts, paid the providers, and managed and verified the contracts. After obtaining the first installment of the funds, the successful providers began implementing the subproject. During implementation, the providers were responsible for regular follow up and monitoring; the government was responsible for overall technical supervision; and the contract-managing agency was responsible for financial supervision. In addition, a providers' association was created to assist in quality assurance of implementation, to represent the providers' interests, and to help in case of conflict between a provider and the other parties.

The selection and implementation process is displayed in Figure 3. According to ideals for participation and feedback, it was the beneficiaries who would tell the government what they wanted the providers to do (within basic policy guidelines as displayed in the procedures manual). Hence, the villagers are intentionally placed at a “high” level in this graph.

The subproject had a defined cycle, which is described in detail in the procedures manual. The cycle consisted of the following actions (adopted from the procedures manual, 2000–2002):

*Step 0—Information:* Government representatives and the providers' association distributed the procedures manual and other relevant information to interested providers, and indicated the target areas of program implementation. Also, information about the selection of providers was published in local and national newspapers. The selection of target areas was done by local authorities and was based on needs. The literacy courses aimed to correct



disparities, so generally the poorest (and most illiterate) areas were selected.

*Step 1—Assessment of needs:* The providers prepared subprojects based upon the requirements in the procedures manual, and selected a zone of intervention (within the target areas defined by the government). The subproject typically consisted of 20 literacy courses in as many villages.<sup>23</sup> The providers and the beneficiaries assessed the needs of the village by using participatory research methods.

*Step 2—Subproject proposal:* The provider wrote a subproject proposal, which included the assessment of needs from each village where the subproject would be implemented. It also included the name, age and literacy

information of the future participants in the literacy courses.

*Step 3—Check of consistency:* The provider sent the subproject proposal to the inspector of education at the department level, who checked the consistency and accuracy of the subproject proposal with an on-site inspection in at least 20% of randomly selected intervention areas (20% was considered a representative number of sites; it would be too costly to check all the sites).<sup>24</sup> The inspector also checked whether the proposal was in conformity with the local development plan.

*Step 4a—Preselection:* All proposals that were deemed eligible were sent for technical analysis. The selection process had two stages:

The first stage consisted of preselection at the regional level, where a committee analyzed the capacity of the providers to implement the subproject. The committee also examined the extent of the providers' familiarity with the intervention area. Any proposal showing that the providers lacked the capacity to implement the subproject (e.g., lack of adequate instructors), or had insufficient familiarity with the geographical area, was rejected.

*Step 4b—Selection:* The proposals that were not rejected were sent to the selection committee for final selection. This committee consisted of technical staff members (as opposed to elected politicians) from the Ministry of Education, AGETIP, and the Ministry of Family, Social Action and National Solidarity. Also, the committee had two observers representing the providers and the beneficiaries. After selection, the successful subprojects were approved by a politically appointed body (usually the *Approval Committee*), which verified that the right procedure had been followed during the selection process. Finally, the subprojects were sent to the outsourcing agency (AGETIP) to establish the contract.<sup>25</sup>

*Step 5—Establish the contract:* Upon approval, AGETIP proceeded to contract with the provider and to pay the first installment of the contract into an account that was opened by the provider specifically for the subproject.

*Step 6—Implementation:* The provider remobilized the beneficiaries, recruited the necessary staff, procured the necessary equipment, and was responsible for implementing the subproject in accordance with the project proposal and the procedures manual's dispositions for reporting.

*Step 7—Monitoring:* The financial monitoring was done by the outsourcing agency (AGETIP) that checked that implementation accorded with the contract. The Ministry of Education did the substance monitoring, i.e., it checked that the courses were adequate. At the end of the subproject lifecycle, the ministry made a final evaluation of the subproject, upon which it was closed by AGETIP.

## How much time does it take to select and implement a subproject?

When setting up an outsourcing project, it is important to be aware of the time requirements of selection and implementation of subprojects. Also during the first years, some time must be allocated for setting up, learning and trial of the process. In Senegal, the system now appears to be running smoothly. Rigorous scheduling of activities is needed to avoid any situation where potential providers cannot prepare the subproject proposal on time or cannot begin implementation immediately upon receipt of funds because they received the funds during the agricultural (rainy) season. Most subprojects are implemented exclusively in the dry season, typically from November to May. This is the time when the population can make themselves available for learning activities; in the rainy season they are too busy with agricultural activities (see detailed description of the timeframe in Annex 1).

Changes in the agriculture production methods (especially in North Senegal) and the evolution of PAPP's literacy program toward a more integrated poverty-reduction program (see Section II on Courses) changed the necessity of implementing the subprojects exclusively during the dry season. Increasingly, subprojects were adopting a more cultural calendar, and started courses after the Ramadan.<sup>26</sup> Although literacy activities are currently implemented during the rainy season, they are usually not attended by all the participants. Often, the provider-paid course instructor is absent, and the classes are conducted by the *relais* (the local substitute for the instructor). The classes often focus on repetition of earlier lessons and special tutoring for weak students during this period. Other countries that have adopted the outsourcing mode (e.g., Burkina Faso, Chad, Côte d'Ivoire, and Gambia) have adapted the process to fit their own selection system and climatic/agricultural seasons. However, most of them have the same core strategy, as shown below:<sup>27</sup>

**Table 3: Implementation schedule**

Dry season	Rainy season	Dry season
Information, participatory assessment of needs in the communities, setting up course design	Submit subproject proposal, selection, establishment of contract, transfer first funds	Recruit and train village instructors, procure equipment, begin subproject implementation

The design shown in Table 3 reduces the time needed from the submission of proposal to the first transfer of funds—to at most four months. This rapidity avoids frustration among providers (e.g., uncertainty about whether their application will be successful and about start up time). Delays can seriously disrupt the implementation phase and cause dropout and dissatisfaction among beneficiaries and providers alike. The importance of upholding timelines was the reason why PAPF used a parastatal agency (AGETIP) for contracting and for paying the providers. AGETIP was not constrained by the usual government decision cycles (which were much more time-consuming).

### Who are the stakeholders?

As noted in Figure 3, the main stakeholders of the process were the beneficiaries and the private providers that ensured the implementation of the service. The government was represented by two agencies, the Project Coordination Unit (PCU)<sup>28</sup> for the PAPF and the DAEB (Department for Literacy and Basic Education). Many other government and auxiliary agencies participated in the outsourcing and control process, such as the departmental and regional education bureaus, the preselection and selection committees, the contract-managing agency (AGETIP), and the CNEA (National Committee for the Elimination of Illiteracy).

### The beneficiaries

The beneficiaries were mainly groups of illiterate and poor women living in rural areas. Often, but not always, they represented the poorest segment of society. They contributed financially to the course (typically 2,500 FCFA or about US \$3 for the duration of the course). They frequently organized themselves into associations with the intention of improving their household income. The providers supported these associations, and helped the beneficiaries to create them in villages where they did not exist prior to the literacy course.

The beneficiaries and the providers defined the basic skills components of the course. Literacy and numeracy were mandatory subjects; basic functional skills courses were optional. Furthermore, the beneficiaries set up a local management committee to ensure correct implementation of the subproject in their village. This committee was responsible for keeping a registry of participants and an inventory list for the center. Finally, the beneficiaries decided on a course schedule, the language of instruction to be used in the course, and sometimes they helped the provider choose a course instructor.

### The private providers

One of the aims of the PAPF was to stimulate the creation of new providers. Consequently, the procedures manual had certain measures to encourage new providers to apply for

funds (e.g., the financing included institutional support for the provider organization, and human resource building). This policy proved successful, since the number of requests for financing increased from 77 to 368 over only five years (478% increase). Many of the new providers were grassroots organizations such as local women's groups that had previously received literacy training from another provider. Other providers were created from NGOs or associations that split into two provider groups.

The providers did participatory needs assessments in the villages where they proposed to intervene, and also wrote the subproject proposal. In each village, they signed an agreement with the village's management committees, so as to clarify their own responsibilities and those of the beneficiaries. The providers that received financing for the subproject recruited one instructor for each village of intervention who was responsible for project implementation in that village. The characteristics of a typical provider in the PAPF are illustrated in Box 1.

The interaction between the providers and the beneficiaries usually followed the following development:

1. A first meeting with chief of village/ administrative committee
2. Interact with local women's association/ undertake participatory needs assessment
3. Create a project management committee
4. Develop subproject proposal
5. Write a contract with the management committee
6. Implement the subproject
7. Monitor and evaluate the subproject

The initial assessment, the implementation, monitoring, and evaluation were—at least theoretically—done in close cooperation with the community and the local management committee. This was necessary to avoid subprojects that were excessively provider-driven, and to ensure village ownership of the subproject.

What are the core characteristics of a “good provider?” A longitudinal study of the PAPF showed a significant correlation between the

#### **Box 1: Characteristics of a typical provider in Senegal:**

- Is a local organization;
- Mainly provides literacy courses, but may also occasionally be involved in providing micro-credit schemes, income-generation and health projects;
- Has between one and six years of experience in project management;
- Has a motorcycle and an office with a computer and a telephone;
- Has an administrative staff (86% of these are male) composed of a manager, an accountant, and two supervisors who are responsible for monitoring the village activities;
- Has one course instructor in each subproject village, i.e., each provider has about 20 instructors, of which 60% are women (93% have lower secondary school and 27% have higher secondary school diploma) and 40% are men (44% have lower secondary school and 10% have higher secondary school diploma);
- Many (28%) of the instructors are young and without experience, and 37% have only one to three years of experience;
- These instructors are trained in adult education methods for an average of 19 days before taking up their position in the subproject village;
- Each subproject provides literacy courses for 300–600 beneficiaries.

*Source: Study of 15 providers in longitudinal study, DAEB, 2001.*

existence of a local management committee at the onset of the subproject and its learning success (DAEB, 2002). Using the numbers of this same longitudinal study, no significant correlation could be established between teacher experience and learning achievement, or between provider type (village association, NGO, religious group) and learning achievement. It seems therefore that one core feature of the program was the involvement of the local management committee and the local women's association in the subproject. A "good provider" would thus be the provider that involved the beneficiaries' organizations in the subproject formulation and execution. In other words, the beneficiaries' input seems to be as important, or even more important than the providers' input for meaningful learning to take place.

### The providers' organization

The providers' organization (CNOAS) was created with assistance from PAPF and the CIDA-financed PAPA project when the Senegalese government adopted its outsourcing policy in the beginning of the 1990s. CNOAS had as its aim to represent the providers' interests and to provide training to new providers in various areas including financial and human resource management. In addition, it was hoped that it could be of help in ensuring needed control in the evolution of the sector. This control function included the establishment of professional ethics for the provider group. CNOAS has had limited success in achieving these aims, and has instead functioned as an information-providing agency. During the selection process, it represented the providers, since two observers from CNOAS participated during selection sessions. The two main achievements of the CNOAS were to provide information and to ensure impartiality in the selection process. These tasks seem to have been well performed, since there have not been many complaints about the lack of informa-

tion about the annual bidding process. Neither has there been much complaint about the impartiality of the selection.

It is debatable whether the providers' organization is merely an interest group for providers themselves or whether it could also to some extent act as a body concerned with the quality of services rendered. In a partnership approach, it is necessary to have a body that not only can interact with the government on behalf of the providers, but also function as an arbitrator in case of charges of unethical behavior against individual providers. Moore & Stewart (2000), in their analysis of NGOs, describe the functions of the providers' association in terms of *corporate governance*, and argue for the set up of an association that ensures control of standards for ethical conduct and accountability. According to Moore & Stewart (2000, p. 88) the implementation of such norms has the following results:

1. "By providing clear standards and practices of accountability and transparency, [the norms] take much of the sting out of the charge of non-accountability [of NGOs], and much of the force out of the argument that government must step in to regulate NGOs because [no one] else is doing the job.
2. They ease the problem of introducing 'institutionalized suspicion' mechanisms into NGOs that have out-grown their management and leadership capacities. There is now an objective argument for doing the right thing: 'unless we do it, we shall lose our membership of and recognition by the NGO association.'
3. They provide donors with some kind of quality rating that can be traded off against more expensive, detailed, intrusive inspections or output evaluations. .... If membership of reputable NGO associations becomes the norm, then the reputation (and financial health) of the NGO sector as a whole can only improve.

4. They require the creation of collective organizations for self-regulation that will have an incentive to provide the collective service that their members cannot efficiently provide for themselves. [...] NGO Associations could provide: staff training, shared management consultancy services, insurance, or information about potential funding sources.”

Is it necessary to actively support the formation of an independent providers' association when a program is being established? Moore & Stewart insist that the provider association must be financed solely by the providers themselves, and by the services it provides to its members (Moore & Stewart in Pearce, 2000). However, as the Senegalese case has shown, such associations may need initial start up capital for institution and capacity building. Performance of the four functions described by Moore & Stewart has not been successfully achieved in Senegal, probably because the providers' organization has been staffed with non-salaried (elected) providers whose main job it is to oversee their own association.

### **The contract-managing agency (AGETIP)**

The contract-managing agency, the *Agence d'Exécution des Travaux d'Intérêt Public* (Agency for Implementation of Public Works—AGETIP), is mainly involved in contract-managing of public construction works, such as building roads. With the PAFP, it became involved in the social sector and allocated two controllers to check the local implementation of subprojects. These two staff members, with some administrative support, had the core responsibilities for the management of the project from AGETIP's side. But this was not sufficient to keep up with the rapid expansion of the project, and soon lead to infrequent on-site inspections of the implementation status of subprojects.

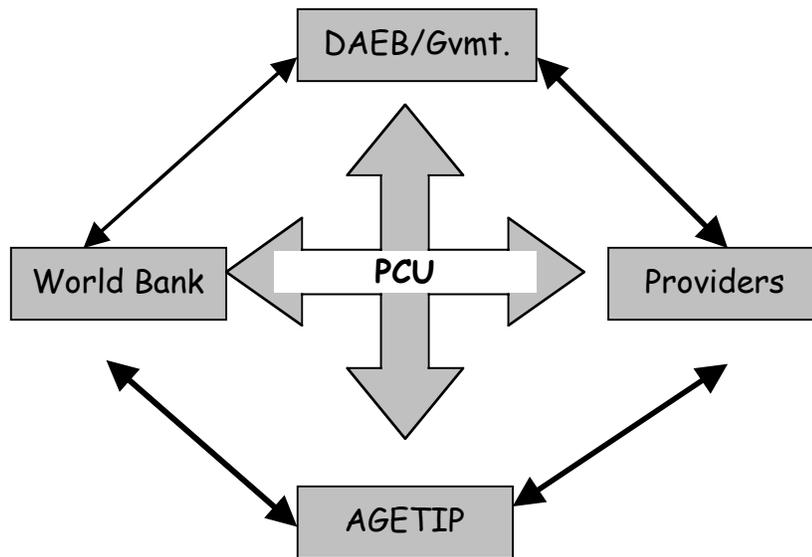
The agency had four main functions in the PAFP: (a) to establish the contracts with the providers; (b) to train them in financial management and bookkeeping; (c) to pay them for their services; and (d) to verify that the funds were spent correctly. Theoretically, AGETIP was supposed to have local controllers who could check regularly the implementation status of each project. In practice, the organization had problems setting up a viable monitoring system. One main constraint was that the agency was Dakar-based and did not have offices throughout the country. The set up of local offices is now being planned.

The main success of private contract-management was the rapidity of processing contracts and of transferring payments to the providers. This achievement is significant, since for other projects the use of government procedures invariably has caused funding to become “stuck” somewhere and caused delays to implementation. However, different contract-managing agencies are not equally efficient. The choice of a contract-managing agency is therefore an important decision, and the government and/or donor agency need to monitor the agency's performance closely.

### **The Project Coordination Unit (PCU)**

The PCU was the government institution with main responsibilities for implementation of the PAFP. It had financial, managerial and technical responsibilities, oversaw the overall project activities, ensured planning and monitoring, and was responsible for reporting to the government and the external financing agency. It also arranged training at provider and government levels. The PCU had a central role in the project implementation (see Figure 4).

The PCU only dealt with PAFP issues. In 2003, during a period of transition to a more integrated outsourcing program (i.e., main-

**Figure 4: Coordination role of the PCU**

streaming of the donor aid to the sector), it maintained its coordination role. A merger with DAEB is planned for 2004; the specifics of this merger, however, are not clear. The PCU had a small number of core staff (the most important being the director, who had mainly a political role; and the vice director, who had technical responsibilities and organized monitoring trips, seminars, training sessions, workshops, etc.). The project office kept an extensive database on the project.

*The main information flow went through the PCU. The contract-managing agency (AGETIP) and the government (DAEB) also had a monitoring/evaluation role in the project. The World Bank had a financial agreement and link with AGETIP for processing payments. The DAEB was sometimes interacting directly with AGETIP, but the feedback loops from providers and beneficiaries usually went through the PCU (and sometimes through local government). There was less feedback from Providers to AGETIP and DAEB.*

### The Department for Literacy and Basic Education (DAEB)

The DAEB was at first not too involved in the PAPP, except for evaluation and statistics purposes. Increasingly, the department became involved in the monitoring of the subprojects and in related policy issues. Its responsibilities were both of a political and technical nature:

- Establish a national literacy plan;
- Propose geographical target zones and target beneficiaries for each literacy program;
- Carry out cost-efficiency studies for various subprojects;
- Update statistics;
- Evaluate curricula; select curricula that should be used by subprojects;
- Monitor and evaluate subprojects.

At present, the government has tried to merge the PCU fully into DAEB, so as to ensure a better coordination of literacy activi-

ties. Such a merger, however, has proved difficult since the government currently lacks the ability to perform proper monitoring and evaluation of the program.

### Selection committees

As noted above, the providers submitted the subproject proposals to the public education service at the department level. The head of education in the department (*Inspecteur de l'Academie*) checked the accuracy of the proposal (e.g., the legal existence of the provider, accuracy of information about beneficiaries). The departmental head of education was also, at the implementation stage, involved in the monitoring and evaluation of the subproject.

As opposed to the educational service at the department level, the selection committees were not permanent institutions but convened once a year to decide which projects would be financed. Preselection committees were operating in each of the five target regions for project implementation. Each preselection committee was composed of the regional director of literacy, the regional director of community development, the head of the regional council, the head of the regional service for local development and two observers who were representatives of providers.

The (main) selection committee was composed of technical, non-political staff, representing the Ministry of Education, the Ministry of Family and Social Action, and AGETIP. Additionally, it had two observers who represented the providers (selected by the CNOAS), but who did not have the right to vote. The two observers were supposed to ensure fairness and transparency in the selection process. The committee's objective was to make the selection as technical and apolitical as possible. If the committee were composed of politicians, one might suspect that the selection of providers would become politically biased.

During selection, members of the committee individually read each subproject proposal,

and gave it ratings according to a well-defined matrix (see Box 2 on eligibility for funding for a subproject). In the selection process the beneficiaries were present only through the preliminary project formulation, which was based on participatory approaches. A more active role of the beneficiaries could improve the quality of service delivery. Such a method is planned in The Gambia (see Figure 6).

### National Committee for Literacy

The National Committee for Literacy (CNEA) was composed of representatives from different ministries that were working with development and literacy-related issues. Civil society was represented through the providers' association(s) and through organization(s) representing the beneficiaries. The role of the committee was mainly political. It took part in policy formulation on literacy-related issues, mobilization of funds, coordination with donors and other interested parties, and in an annual review of the results.

### How to ensure transparency in selection of providers

The concept of public-private partnerships has been frequently used to describe the outsourcing system as it is practiced in Senegal. The word "partnership" refers to a situation of joint action for shared purposes based on strong mutual trust. This appears to have been largely achieved in the Senegalese PAPP. The sector was characterized by the absence of complaints from providers about unfair treatment or about serious problems in the transfer of funds. Also, few complaints were received about services promised but not delivered. Very few reports from monitoring or evaluators indicated serious faults in the implementation process. The low number of complaints gives support to the view that the mechanisms of the outsourcing approach of the PAPP were

**Box 2: Criteria for eligibility for a subproject**

The subproject proposal was analyzed and evaluated by using the following criteria and points. (In order to be eligible, the subproject proposal must score at least 60% of the maximum points indicated below, i.e. it must score at least 114 out of 190 points):

- (1) Capacity of the provider (50 points)
  - Legal existence;
  - Prior experience in at least one education or development project;
  - Have necessary human resources to implement the proposed subproject;
- (2) Knowledge of the implementation sites (40 points)
  - Implementation zone corresponds to target zone for the PAPF;
  - The geographical, social, economical, and cultural aspects of each site are specified;
  - A list of participants is provided indicating the names of the beneficiaries (at least 75% of them should be women in the 15 – 39 age group);
- (3) The subproject program (50 points)
  - The indicators for progress correspond to PAPF's stated goals and are clearly formulated (course type and time, learning methods, etc.);
  - Responsibilities for the implementation of the activities are well defined;
  - The beneficiaries have set up a management committee;
  - Questions of sustainability of the activities are addressed;
- (4) The management system (40 points)
  - The management system includes a subproject implementation plan; an administrative and technical monitoring system; and an evaluation plan;
  - The budget is well detailed and does not exceed the specified limits;
  - The contribution of the beneficiaries is agreed upon and does not exceed the specified limits (2,500 FCFA);
- (5) Institutional issues (10 points)
  - The provider has established a plan for the utilization of institutional support for the provider and the beneficiaries (should not exceed 10 % of total costs).

basically sound, i.e., the project achieved a reasonably transparent and fair selection process and quick transfer of funds.

The partnership was sound for several reasons: Most project information was easily obtained. This was particularly true for the selection process, since the criteria for eligibility were clearly stated in the procedures manual (which was freely disseminated). Also, there was a procedure for appeal regarding rejected subproject proposals. The manual's clearly stated information made the providers aware of what their duties were, and in case of rejection

of the proposal, the reason *why* it was rejected.

The manual clearly stated what the procedures were for all stages of implementation. The provider knew which reporting and monitoring arrangements were required, and how the beneficiaries would be assessed at the end of the project. Moreover, the procedures manual indicated the possibility of sanctions for faulty implementation. Such rules enhanced the impression of rational decisions; the provider should never have the feeling of being the victim of arbitrary controls or of being

sanctioned for unclear or personal reasons. In reality, however, sanctions were never used. The lack of sanctions for faulty implementation therefore ran the risk of rewarding fraudulent behavior. In a few cases, dishonest providers were reselected to implement new subprojects after embezzling funds from previous subprojects.<sup>29</sup>

One additional factor of transparency was linked to the composition of the selection committee(s), which aimed to be as “non-political” as possible (even though the committee was politically appointed). Selection was to be based on technical criteria judged to be appropriate by literacy professionals. Had politicians participated directly in the selection, judgment based on technical criteria would have been more difficult since there would then have been pressure to use the selection as a political tool. Such political interference occurred at least once, during national elections, when pressure was put on the selection committee to change the procedure into a more political process instead of purely a technical one. As a result, the implementation decree (which confirms the financing proposal from the selection committee) was not signed on time and the funding was delayed, resulting that year in a higher dropout of learners than usual (since the literacy courses began too late to be finished by the onset of the rainy season). This political interference also led to the reselection of some providers who previously had shown unsatisfactory results. This pressure on the selection process was temporary and has apparently not been experienced since then.

In conclusion, the following issues have been of particular importance in building partnerships and to enhance the transparency and validity of the outsourcing approach used in Senegal:

- The “rules of the game” were clearly stated in the procedures manual, in particular the criteria for selection were well explained;
- The procedures manual was freely distributed to all interested parties;
- Prospective providers could appeal rejection of proposals;
- The government appointed a “non-political” selection committee, which selected projects on their technical merit, not on the political affiliation of the provider.

### **How to set up a good monitoring and evaluation system**

The 2004 World Development Report, writing on social service provision for the poor in general, points to the need to strengthen accountability in three key relationships in the service delivery chain: “between poor people and providers, between poor people and policymakers, and between policymakers and providers” (WDR, 2004, p.1). Good evaluation and monitoring can improve accountability. In a recent review of literacy programs in a number of countries, the World Bank found flaws in the monitoring and evaluation designs in nearly all the programs covered: “Overall, effectiveness indicators are sparse, and it is unclear how many participants entered a program and how many emerged literate. [...] Implementing agencies and NGOs tend to have weak and possibly unreliable record-keeping” (Abadzi, 2003, p.10). Consequently, monitoring and evaluation were problematic issues in the PAPF.

Two basic functions of monitoring and evaluation are necessary: (i) to hold providers to their contract and to make sure that only good providers are retained; incompetent or corrupt providers will not have their contracts renewed and (ii) evaluation of the program as a whole (e.g., PAPF) in terms of overall outcomes and impact. PAPF had originally foreseen several types of control, and at several levels. The first four types described below belong to function (i) above since they evaluate specific subprojects; the evaluation by the providers’ organi-

zation (point 5) was supposed to perform both function (i) and function (ii); and the longitudinal studies mentioned in point 6 belong to function (ii).

1. *Financial monitoring by the outsourcing agency*: Regular checks that funds are being disbursed according to the plan, and that the services paid for have been delivered (i.e., check that the beneficiaries participating matched the number paid for). However, in the case of PAPF, the contract-managing agency failed to achieve a good monitoring and evaluation system. Its performance was affected by work overload due to rapid expansion. Further, the agency lacked the infrastructure and equipment needed to perform appropriate management, supervision and monitoring of the financial aspects of the subprojects.
2. *Quality monitoring by the Ministry of Education*: Regular checks in order to ascertain that the quality of the purchased service (i.e., literacy courses) is adequate. The quality monitoring by the DAEB and PCU did not always cover a sufficient number of courses.
3. *Assessment of learning outcomes by Ministry of Education (Final Exam)*: A final assessment of skills acquired by each participant was to be carried out. Such assessment is essential, since it shows whether the “product” corresponds to the contract (especially the level and quality of learning, as well as the dropout rate). In the case of PAPF, local education officers conducted the exam. However, because of workloads it was often done considerably after the course was completed, when only a few learners were available to participate. Also, the local education offices lacked funds for carrying out the assessments (e.g., they did not

have a car, sufficient funds to cover gasoline expenses, etc.).

4. *Monitoring and evaluation by the providers*, who were required by contract to recruit two supervisors for regular monitoring of the progress of the project. In PAPF, the providers’ monitoring of their own sites seems to have been, in general, successful.
5. *Monitoring of the provider sector as a whole by the providers’ organization*: Data gathering and interaction with providers in order to identify and prevent cases of corrupt practice among providers. The providers’ organization did not carry out this function.
6. *Cost-benefit analysis and longitudinal studies by the Ministry of Education*: these are activities aiming to identify factors of success and failure in the approaches used by the providers. In PAPF, outsourcing was seen as an evolving process, where the providers would improve their subprojects year by year, and where the possibility of reselection would be an incentive for providers and help build trust. However, the government did not set up studies to assess the *impact* of the subprojects early enough to gather base line data though the intent had been to do so both in “experimental” and “control” villages. After implementation of the literacy course, both experimental and control villages were to receive a post-test, which would make possible an analysis of the impact of the literacy courses. Such a design would have led to an estimation of economic and other benefits of the PAPF, and made it possible to assess its cost-effectiveness.<sup>30</sup>

At all levels, the project suffered from lack of data, or from contradictory data. Better capac-



jects. Such a situation could have been avoided if the beneficiaries had known where to channel complaints and concerns about the provider.

Another issue in need of monitoring is the background of the enrollees. Literate and semi-literate people often wish to enroll in literacy courses. They may wish to improve their literacy skills but may also be attracted to the other skills taught or to the course as a social event for adolescent and adult women in their village. In the case of PAPP, this was contrary to the guidelines, but it occurred quite frequently. Since, in most cases, prior education used French as the medium of instruction, most, if not all participants were considered illiterate *in their national languages* at enrollment. This is one reason why the PAPP accepted participants who had previously been to primary school. Beneficiaries who had already been to school, not surprisingly, performed better than those who had not (DAEB, 2002). Any attempt to evaluate the learning gains in literacy courses needs to take into account the skills possessed by the learners prior to the course.

At the central government level, financial and technical monitoring, and evaluation are necessary to aid planning, ensure smooth functioning of the project implementation and discourage fraud. Both monitoring and evaluation can be outsourced when these functions cannot otherwise be performed satisfactorily. The technical gains from outsourcing any strategically important evaluative functions at the central level need to be weighed against some loss to the program managers in terms of direct knowledge of the conditions (and persons) being evaluated. The monitoring and evaluation functions of the operator's organization, the local administration, and the providers themselves (of their own subprojects), should in most cases not be outsourced, because they are based on continuous and long-term relationships. One core element in such relationships is to build trust between the parties concerned.

## Why is the interaction between villagers and providers so important?

In the early stages of the PAPP, some providers prepared proposals without having had contact with the intended beneficiaries. Many subprojects were implemented by simply sending an instructor to the designated village, who would then interact with beneficiaries and start teaching. The contact between the provider and the villagers was distinctly weak. This often resulted in top-down, excessively provider-driven projects.

In keeping with revised PAPP strategies, the procedures manual for 2000–2002 emphasized the need for institutionalized contact between the providers and the beneficiaries. The provider was obliged to recruit two supervisors to follow up activities in each of the villages where the subproject conducts a course. Also, the beneficiaries were involved in the conception phase of the subproject to ensure that the course better reflected their interests. The beneficiaries set the schedule of classes, decided the language of instruction, and decided on topics for basic skills instruction. Sometimes, they even chose the instructor. In this way, the PAPP sought to strengthen local ownership of the project.

Furthermore, in the integrated program the beneficiaries had to choose a teaching assistant (*relais*) from the village. The intention was that this person would be able to continue development activities beyond the term of the financed subproject, thereby contributing to local ownership and to sustainability of activities. The teaching assistant was a volunteer who did not receive payment from the subproject. In many cases, this lack of incentive for the *relais* halted literacy activities in the village some time after the subproject came to an end.

Local ownership and sustainability of the activities were ensured when they were based on existing village organizations. The involvement of local women's organizations in project implementation was essential for the subpro-

ject's success (DAEB, 2002). The women's organizations normally followed up courses and monitored attendance. They encouraged regular attendance, and in some cases introduced fines for late arrival or non-attendance. In some instances, the village women established "hygiene police" to inspect the villagers' homes and imposed fines for disorderly house-keeping. Women's organizations were also involved in income-generating activities. DAEB findings indicated that the chance of subproject success was boosted by the beneficiaries' organizational capacity before and during project implementation, and by the connection they had with the provider organization (DAEB, 2002). In general, the closer the networking—or *real partnership*, the better the results. The data showed a statistically significant correlation between the existence of a local management committee (generally based on a women's organization) and the learning outcomes of the course.

Some providers outsourced participatory planning activities and subproject formulation. In such cases, a consultant specializing in participatory approaches formulated the proposed subproject and set up an agreement with the villagers. This practice was generally accepted by PAPF management due to the fact that there were high quality providers who lacked experience in formulating a good subproject document, and that the hiring of a participatory rural appraisal (PRA) specialist indicated commitment by the provider to ensure a plan of good quality. On the other hand, establishing trust between beneficiaries and providers was especially important, as such trust is built by direct communication between the parties already in the project formulation stage. By negotiating directly with the villagers, the provider could better explain the limitations of the subproject and get a hands-on feeling of what is going on in the village. Getting to know the provider's staff also generates trust between the villagers and the provider, where-

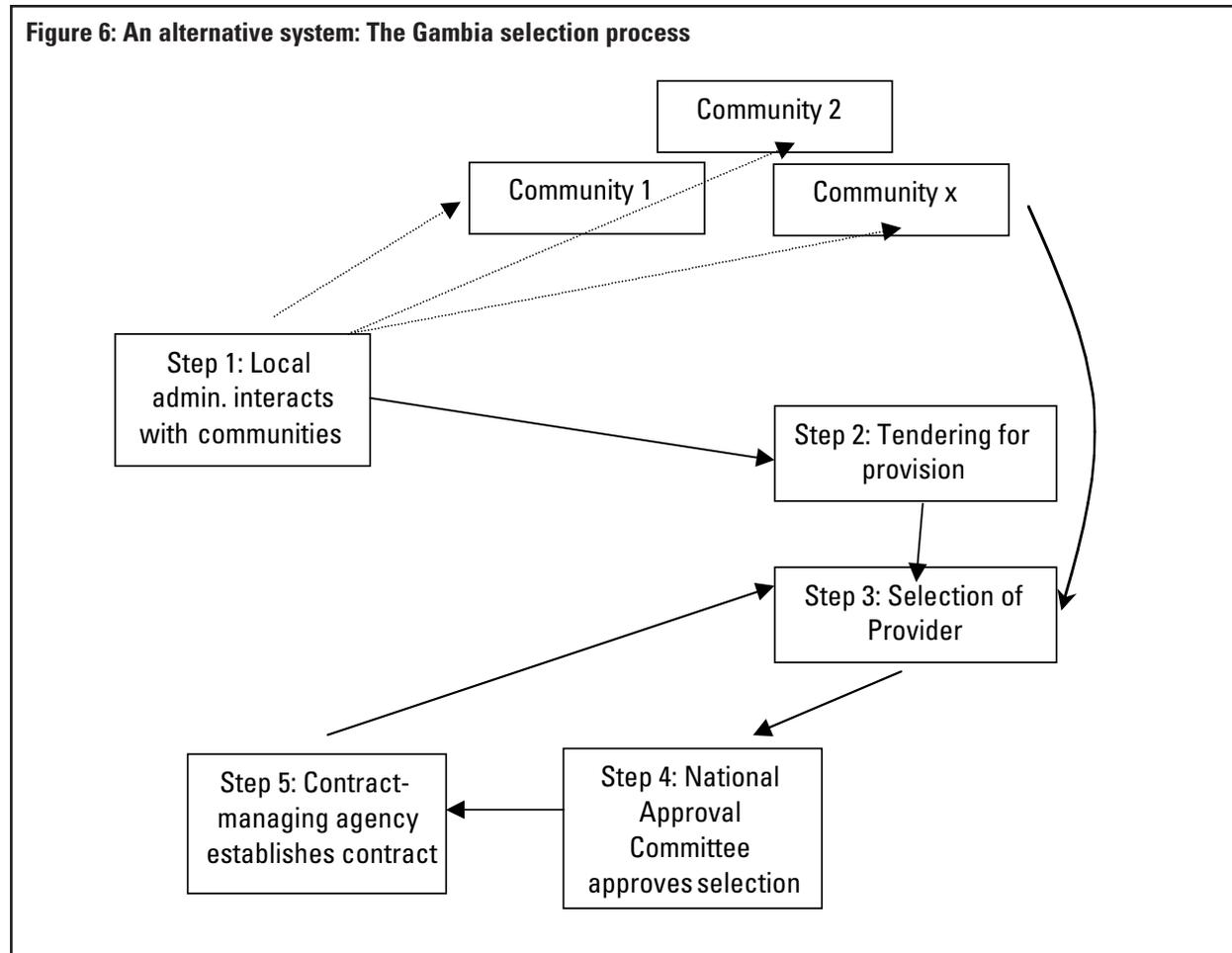
as the arrival of an outside expert can actually generate distrust.

In The Gambia selection process, the communities themselves decide which services they need; and they participate in the selection of the provider and in the "purchase" of services. The 2004 World Development Report (WDR, 2004, p. 6) distinguishes between the "long route" of accountability—where clients as citizens influence policymakers, and policymakers in turn influence providers; and the "short route" where the beneficiaries have direct power over service delivery (as they ideally will, under competitive market transactions). The system as it is set up in Senegal largely pertains to "the long route." As it is set up in The Gambia, it exemplifies an attempt to shorten the route of accountability by strengthening the communities' power over providers. The WDR recommends the latter approach: "service outcomes can be improved by strengthening the short route—by increasing the client's power over providers" (World Development Report 2004, p.6). The system in The Gambia is set up as shown in figure 6.

*Step 1:* The regional authorities select the villages to benefit from the program through a demand-based process. The communities that will benefit from the program select one representative from the village development committee to represent the community in the selection and implementation process. This villager is given training about the program and selection procedure.

*Step 2:* The project is tendered for. Each cluster of 10 selected villages is considered a subproject. Each provider initiates contact with the communities to discuss a possible agenda for intervention. Based on the exchanges with each community, the provider sets up a subproject proposal.

*Step 3:* Together with (technical) representatives from the regional education office and from the providers' organization, a representative from each village organization form a selec-



tion committee that identifies the most desirable provider to implement the subproject.

*Step 4:* The subproject proposal is sent to a national approval committee that ensures that the correct procedures have been followed in the selection of the provider.

*Step 5:* The subproject is sent for financing. The contract-managing agency immediately proceeds with the contracting of the selected provider, and transfers funds for implementation of the first phase of the subproject.

The main advantage of this procedure is that the selection of communities is more carefully considered, and one avoids the problem of “creaming off”, i.e., that providers only choose “easy” locations. Also, problems of duplication are avoided (i.e., intervention of several providers in the same

site, duplicating each others’ activities). The selection focuses more on the provider’s “real” qualities, and less on the ability to write a good proposal. A further advantage is the communities’ negotiation with the providers during project formulation. The resulting selection and formulation process is less “top-down” and a more client-managed process. However, this method has the disadvantage of being more complex than the practices used in Senegal (and necessitates complicated logistics and communication arrangements). As of spring 2004, it remained an untried approach since program implementation is expected to start in mid-2004. The Senegalese model is also being revised and evolving toward a more client-based selection process.

## How does decentralization affect the program?

Senegal has three main administrative levels: commune, department, and region. The last level is the newest one, and is part of a democratization and decentralization process, since the “Regional Council” is elected locally and has assumed many responsibilities previously managed by the central level.

PAPF was, at its conception phase and until 1999, a centrally executed project. During the mid-term evaluation, a series of studies were launched to analyze how the project could be integrated into the government’s ongoing decentralization process. During a workshop in Bougainvillées on September 1-3, 1999, the decentralization theme was studied from different angles. The main problems, as identified during the workshop are as follows (PAPF, Partage, November 1999):

- The local administration felt excluded because of the centralized implementation of PAPF;
- The local administration did not have sufficient knowledge of the advantages of literacy in terms of socio-economic development;
- The providers were operating independently from the local school administration—there was little interaction between subprojects and schools (although both were performing the same kind of activities).

Based on these problems, a series of solutions were proposed, including the following:

- Transfer of some financial and material responsibilities to the local level (i.e., to the department and regional levels);
- Strengthen communication with the three local levels (especially by providing more information and creating awareness about literacy);

- Decentralize some of the monitoring and evaluation functions;
- Ensure decentralized representation of the contract-management agency.

Following these recommendations, a series of modifications were undertaken in the project organization, resulting in the administrative process described above in Section I.2 and I.3. The main changes were seen at the regional level, where a preselection committee was taking over an important part of the selection process, and at the department level, where the person responsible for education became directly involved in project monitoring and evaluation. In particular, the end-of-training evaluation of the beneficiaries’ literacy and basic skill knowledge became a responsibility of the local education division. Also, a new, “integrated” subproject style was developed. The notion of integration was both technical and geographical, and took into account the local situation in a better way. The subprojects were to be part of the local development plan, and therefore needed to respond to local requirements and priorities. Such integration led to a better coordination between PAPF’s subprojects and other development projects in the area.

## Conclusion and recommendations

The *processes* of obtaining funds and of controlling the use of funds are two core issues of the outsourcing strategy. If these processes work well, the desired activities are likely to be implemented (provided that the amount contracted corresponds to the work to be done). Clarity and transparency are key requirements for success in setting up these processes. The PAPF performance was based on clear guidelines and a well-defined procedures manual. The main lessons learned from the project are as follows:

- The outsourcing of financial management led to quick processing and transfer of

funds, facilitating rapid implementation and expansion of the project.

- The project’s implementation manual (or “manual of procedures”) clearly delineated the process for obtaining funds, and proved to be an invaluable tool for the providers. It was prepared through a participative process involving all the stakeholders, including representatives from civil society. The first manual was tested through setting up a few pilot subprojects, and it was subsequently revised annually. This helped make the manual a living document and enhanced its value as a guidebook for providers.
- The inclusion of a representative from the providers’ association on the selection committee was important for ensuring transparency in the selection process. Also, the providers’ organization disseminated information, e.g., procedures manuals, to interested providers.
- The providers’ association CNOAS was not able to undertake many training and monitoring activities. One reason for this may be that CNOAS is managed by professional providers whose priority is to strengthen their own provider operation, rather than devoting effort to sector-wide needs.
- Transparency and fairness in resource allocation were essential to build trust in the partnership.
- Outsourcing requires a good monitoring and evaluation system. It was essential that the growth of the sector (i.e., the financing of additional providers) matched the monitoring capabilities of the control instances. This was a problem, especially for financial monitoring. Hence, a better follow up by the government of AGETIP’s work could have improved the contract-managing agency’s performance.
- AGETIP could itself have outsourced parts of its supervision and monitoring

work. That would have simplified on-site verification, and ensured a more efficient financial monitoring.

- Monitoring and evaluation should have been linked to enforcement sanctions when dishonest behavior occurred. In the PAPP, dishonest behavior would be economically rewarding, since embezzling providers could keep all their gains and even be re-elected for “implementation” of new subprojects. Such rewarding of dishonest behavior is thought to be the single greatest cause of substandard results.<sup>32</sup>
- All monitoring and evaluation activities that could not be successfully carried out by the government and/or the contract-managing agency should have been outsourced.<sup>33</sup>

For a checklist on the feasibility of setting up a public-private partnership, see Annex 3 (taken from the International Finance Corporation’s toolkit on partnership in education). It is crucial that the formulation phase of new projects based on outsourcing take into account the role of the different parties and the transmission of information between them. Also, new projects should plan the schedule from information and awareness-raising to completed implementation of subprojects inclusive of the selection process, the contracting and financial management process, and the monitoring and evaluation process. In setting up these processes, it is important to define the beneficiaries’ role in a comprehensive way. The World Development Report (2004) emphasizes that “Clients could play two roles in strengthening service delivery. First, for many services, clients can help tailor the service to their needs, since the actual mix [of services] cannot be specified in advance [...]. Second, clients can be effective monitors of providers, since they are at the point for service delivery” (WDR, 2003, p. 18). These two roles should be clearly addressed in the procedures manual.

## The Courses

The definition of literacy in its simplest form is the ability to read a short statement. The definition of “functional” literacy, however, is linked to a person’s ability to use the skills in reading and writing. A much-cited definition of functional literacy was offered by UNESCO in the early 1960s as “the possession by an individual of the essential knowledge and skills which enable him or her to engage in all those activities required for effective functioning in his or her group and community and whose attainments in reading, writing, and arithmetic make it possible for him or her to use these skills toward his or her own and the community’s development.” Literacy training is frequently provided in a step-wise progression, starting with functional literacy classes and moving to supplementary “post-literacy” actions that may include circulation of newspapers locally, provision of village libraries, and skills training applied to income-generating activities. Post-literacy support can be provided in a work-related context rather than in special classes, and by other professionals as well as by literacy practitioners. Sometimes literacy training is also included in initial or concurrent teaching of livelihood skills (see Oxenham et al., 2002). Post-literacy adult education need not be organized as an

extension of adult literacy programs. It can be more widely conceived to cater to all those who have gone to school as well as for (the usually smaller number of) those who have acquired literacy skills in a program especially designed for adults.

This section will explain literacy and post-literacy from an outsourcing point of view. The implementation of outsourced projects raises questions such as:

- How do the subprojects take into account such issues as the beneficiaries’ work schedule, and their professional occupations? What are the characteristics of “good” courses?
- Since the quality of providers varies, the quality of subprojects will also vary.<sup>34</sup> What are the characteristics of subprojects and providers that deliver the best results?

### **What are the characteristics of “good” courses?**

In PAF, the providers were autonomous in their choice of curriculum within guidelines issued by DAEB. The DAEB produced a list of

government approved booklets and curricula, and the providers were free to procure the materials they thought would best fit local needs as to language and subjects covered. Ideally, it was thought, the beneficiaries would choose their curriculum; but in many cases the provider made the choice for them, since it was easier and cheaper to use the same instructional materials for all courses run by the same provider (each provider is implementing between 10 and 20 courses in as many sites).

In a longitudinal study of 60 courses made by DAEB, the following characteristics were noticed (DAEB, 2001):

- Only 38% of the courses had a formally defined learning program, i.e., a curriculum document indicating a plan for the periodic (usually monthly) progress of what learning should cover;
- Half of the courses did not have a timetable;
- Only half of the courses (53%) had adequate instruments for follow up by the instructor (student registry, booklets for preparation of classes).

The learning itself could be divided into three categories: (i) literacy skills, which include reading, writing, and basic arithmetic; (ii) basic functional skills, which include health/hygiene, agriculture, and environment; and (iii) technical training, such as bookkeeping, management and entrepreneurial skills.

### Literacy skills

The literacy classes taught the beneficiaries basic reading and writing skills, as well as arithmetic. Most of the themes in the instructional booklets were linked to aspects of rural life in settings that were familiar to the participants. A few providers (about 7% at the beginning of the longitudinal study) added functional learning to the literacy classes, and taught the beneficiaries some basic information on how to fill

in forms. Generally, the providers said that they teach 300 hours of literacy skills to the participants, but they did not provide any breakdown on the time allocation according to subject (writing, reading, arithmetic). Most providers indicated that they teach reading and writing for an average of 160 hours and other subjects for the rest of the time. Arithmetic was divided into three levels: level one taught counting, the four arithmetic operations, and basic problem solving; level two taught use of a calculator; and, level three taught geometry (surface and volume), complex numbers and fractions. Very few providers taught anything beyond level two. Eighty percent of the instructors only gave level one lessons.

In a review of cognitive research for developing countries, Abadzi (2003) notes that literacy training for adults is often inefficient because the recipients of training cannot read at the end of the course, or in some cases that he or she cannot read *fast enough* to make the reading skill useful. To improve classes, she recommends *reading in small groups* (reciprocal teaching) rather than reliance on the traditional method where one person reads and the other repeats (the latter is the most frequently used method in Senegal). This means that the teacher could benefit from training in group-work techniques. Further, among the exercises Abadzi recommends are the following good practices:

- Learning to count using local money and transactions; discussing how to avoid being cheated.
- Simple visual tests to determine which learners might need to sit nearer the blackboard. (These could be included in one page of a textbook.)
- Asking readers to bring in materials they would like to read.

### Basic functional skills

Most PAPF courses included lessons on health and hygiene (93%), agriculture (80%) and

environmental issues (67%). The weight to be accorded to each of these areas was to vary according to the needs expressed by the beneficiaries. In principle, the course was to teach such skills for 150 hours, but the current Longitudinal Study (DAEB, 2002) has so far provided scant data on implementation. The method prescribed was to use the beneficiaries' experience as a basis for discussion in order to change behavior (especially concerning vacci-

nation of children and animals, practices involving risks for HIV/AIDS transmission).

## The integrated approach

The government tested several different types of literacy education. The PAPF program emphasized a so-called "integrated approach" (see box 3) as opposed to other

### Box 3: The principles of the integrated approach (adapted from Sall & Diagne, 2001)

#### 1. Political Integration

Previously, the requests for financing did not take into account the local context; in particular, the local economic and social development plans. Requests under the integrated approach should take into account:

- The local administration's development plan, particularly all actions that are emphasized in the program of the elected local government.
- Local planned or ongoing projects, and development services that are being planned or already under implementation (rural development services, water provision, environmental plans, etc.), as well as NGO interventions (micro-credit programs, other).

The political integration of the subprojects requires:

- The provider's thorough knowledge of local development actions and interested parties;
- Communication with these parties to investigate possibilities for future cooperation; and where appropriate, establishing formal agreements of cooperation;
- The set up of subprojects with clearly outlined objectives.

#### 2. Geographical Integration

The subproject's learning program should be of assistance to the village's development plans.

#### 3. Technical Integration

The integrated approach should not be a simple integration of literacy and post-literacy activities, but a rethinking of literacy as a whole. Hence, post-literacy activities should be considered before and during literacy activities. Literacy and post-literacy activities (library, access to newspapers, production of written materials) should be conducted simultaneously so as to contribute to the creation of a literate and enabling environment.

#### 4. Integration with Local Women's Associations

In the context of poverty reduction, the subproject should focus on four issues:

- Strengthening of the organizational capacities of the local women's organization;
- Training to enhance the local association's performance (training of the association's leaders), and training of a person (relais) to take over the provider's role at the end of subproject implementation;
- Make connection between the local woman's association and other local associations, as well as local financial and administrative organizations;
- Assist the local women's association in income-generating activities.

outsourcing programs that were more exclusively focused on literacy. The PAPF's integrated program mainly focused on poverty reduction, whereas the Canadian sponsored literacy program, PAPA (Projet d'Appui au Plan d'Actions), was more focused on teaching the learners to read and write (and it saw enhanced literacy skills as the best means to reduce poverty). In practice, the PAPF delivered a more expensive course that provides a wider range of activity for the learners (thus, the extra cost of PAPF as compared to PAPA, reflected the extra costs of teaching more basic skills and income-generating activities). Both approaches made use of the outsourcing approach. The characteristics of the PAPF were linked to greater decentralization and more skills activities, whereas the PAPA focused more narrowly on literacy activities at a lower cost.<sup>35</sup> Currently, there is not enough information about the relative impact of these two programs to make a cost-effectiveness analysis comparing them.

The outsourcing approach is suitable for implementing both literacy-only, and integrated poverty reduction programs. For integrated programs, each provider could establish a network of instructors and assistants (*relais*) and implement a more variegated subproject than most administrative units were previously capable of organizing. Many providers used supervisors to instruct specific courses, e.g., in management or specific skills training such as dyeing. Theoretically, local administrative units were responsible for coordinating all development activities in each area, but in practice, these units were capable only of information generation and dissemination—not of planning integrated development program activities.

Especially in its “integrated” version, PAPF represented a broader approach than the more narrowly literacy-focused approach of the PAPA project. Also, those responsible for PAPF saw that post-literacy activities were stressed in PAPF but not in PAPA. Not surprisingly, PAPF is the most costly of the two programs.

## Conclusion

The outsourcing strategy had certain advantages over traditional forms of public service delivery since it did not require standard prescriptions by government as to curriculum and medium of instruction. Also, guidelines about skills training and program focus were less specific than traditional government-implemented literacy campaigns, and left more to local decisions. Outsourcing was structured to be demand-based, which made policy-based central decisions on language or curriculum unnecessary. Likewise, the PAPF outsourcing system gradually began to take into account local public development services, and to increasingly adapt the courses to local circumstances.

Other approaches than outsourcing can also give such advantages; they are not in any way prerogatives of the PAPF. However, the outsourcing approach made it easier to adapt to micro-circumstances, and to implement a variety of small-scale subprojects instead of only one standardized government program. Some of the more innovative subprojects could be a source of lessons for primary schooling, especially in the fields of practical skills learning, integrated approaches, and instruction in national languages. So far, however, experiences learned by the PAPF have not been used for policy making in primary education.

## Costs and Effects

**G**overnments and funding organizations face several questions linked to the financing and delivery of non-formal adult education: Should literacy programs be implemented by the state? Should a mass literacy campaign be used? Who are the stakeholders? Should the program be literacy-focused (as in the PAPA program in Senegal), or should it be an integrated poverty-alleviation program such as the PAPF? These questions raise issues of cost-effectiveness of alternative approaches.<sup>36</sup> On these questions, relevant findings hardly exist yet from Senegal, but some observations can be made on the basis of earlier studies.

In most countries, the state literacy services are not strong; and in pursuing EFA goals relating to adult and out-of-school youth, the government needs to decide whether to develop the public sector or to outsource service delivery. The advocates for outsourcing hold that an outsourced program, if it is using many private organizations to deliver relatively small programs, is better able to respond to the concerns of the local participants than a national state-implemented program. In a recent review of approaches and experiences in literacy and skills training programs, Oxenham concludes, “NGOs seem to be more flexible than govern-

mental agencies in responding to local and changing needs” (Oxenham, et al, 2002, p. 37). The argument for using many locally based private provider groups is linked to the view that such providers will have knowledge of local problems, and frequent contact with potential stakeholders and beneficiaries.<sup>37</sup> Also, local provider groups communicate in local languages, whereas government deployment of local language teachers to the right zones can be difficult, especially in areas with many different languages. On the other hand, state-implemented programs often benefit from economies of scale, and will be cheaper than smaller provider-implemented projects. Advocates for state-implemented programs hold that the overhead costs of government-implemented programs are lower than for private providers, and that implementation is more sustainable. Table 4 summarizes some claims encountered by the author among stakeholders in the adult literacy sector in Senegal, about the advantages and disadvantages of each method.

The budgeting of a privately implemented program is different from a public one. A public delivered literacy program typically focuses on distribution of funds and/or learning material to the target area, where local civil servants

**Table 4: Arguments on advantages and disadvantages of public and private delivery used in the Senegalese case**

	Public delivery	Outsourced delivery through bidding
Advantages	<p>Access might be more equitable;            Could be less costly (due to economies of scale; and if volunteers are mobilized to implement courses);<sup>38</sup>            Monitoring and control could be more successful since these functions inhere in the administrative</p>	<p>The delivery structure was set up quickly, and delivery possibilities increased rapidly through the multiplication of providers;            It led to a fast delivery of services (i.e., fast evaluation and financing of subprojects);            structures;            PAPF developed a client-oriented approach, with grass-roots participation in all stages of implementation;            The courses were adapted to local needs and conducted in local languages;</p>
Disadvantages	<p>Setting up delivery structure would have been costly and taken a long time;            Slow transfer of funds through government channels would have caused delays;            Government would have been both implementing and control agent, which may lead to conflict of interests and less accountability;            A big government program may have been standardized and less client-oriented.</p>	<p>Outsourcing had especially demanding monitoring requirements;            Being profit-oriented, providers (including NGOs and CBOs) negotiated to drive up the price; hence the unit costs for PAPF were high;            Programs had weak sustainability (when external financing ceased, most village activities ceased).</p>

and/or volunteers distribute the material and implement the course. The funds or materials allocated usually depend on the target population size.

A program based on outsourcing and private implementation frequently uses an estimate of the *unit cost* for each enrolled person as a basis for the financing formula of a project. The cost composite of the PAPF included:

- Base unit cost of provision (see section A below)
- Cost incurred by providers and beneficiaries, including opportunity costs (see section B)
- Project operational costs (see section C)
- Project investment costs (see section D)

It is important to include the cost of inefficiency in a cost analysis. A program will be financing a certain number of beneficiaries who will drop out before the end of the course or not succeed at the final exam (see section E).

### A: Base unit costs of provision<sup>39</sup>

The base unit cost (see box 4) was used to calculate the cost of the providers' services. Since the unit price in contracts issued by the PAPF project was approximately \$50, the amount for financing a subproject where 300 beneficiaries were enrolled in literacy education corresponded to 300 people x US \$50 = US \$15,000. The unit price was negotiated between the providers and the Project Coordination Unit and took into account both the operational costs of implementing the subproject and the providers' overhead costs. Also, an amount was added to this cost in order to provide *institutional support* to the provider. This institutional support was included in order to encourage the creation of new provider groups, and to strengthen existing ones. It would typically be used to purchase non-essential office or transport equipment such as computer(s), a motor-bike(s), or a car.

**Box 4: Base unit costs for PAF as a percentage of total costs**

Total costs: \$50	
Equipment	9%
Training of staff	11%
Training of beneficiaries	59%
of which the components are	
• Learning materials:	24%
• Salary of facilitator:	35%
Monitoring	10%
Overhead	2%
Evaluation	1%
Institutional assistance	8%

Source: Diagne, Sall 2001

Calculations for PAF unit costs are shown above, and represent *the amount of subvention* or *the base unit cost* from PAF to the provider.<sup>40</sup> The cost covered the training and materials deemed necessary for a literacy and basic skills course. This amount was set at 37,500 FCFA per enrollee. For a provider with 10 courses and a total of 300 beneficiaries, the subvention was approximately US \$15,000 per provider subproject, or US \$50 per enrollee.<sup>41</sup> The PAF unit cost of \$50 did not represent the full cost for one participant, because it did not take into account other aspects of the project and participants' cost, such as monitoring and evaluation costs, or opportunity costs. The most important of these additional costs were as follows:

### **B: Costs covered by providers and beneficiaries**

Each participant contributed 2,500 FCFA (US \$3) in cash or in-kind toward the cost of the course. Also, the costs of foregone earnings of the beneficiaries can be taken into account in calculating the social cost of the project. The opportunity cost equals the value in cash or in-

kind of what the beneficiaries would have earned/produced if they had not attended the course.<sup>42</sup> The opportunity costs are more difficult to evaluate than the direct cost. The GDP per capita in 2001 was US \$475 (World Bank Regional Statistics). Senegal's assessment of living conditions of 1995 cites an undated study by Niane, estimating the informal economic sector's<sup>43</sup> income to 21,000–40,000 FCFA per month (Net Present Value as of January 2003 = US \$46–88<sup>44</sup>). Using the lower numbers of Niane's study, one can estimate the opportunity costs of the course to a minimum of US \$23 (or 50% of a month's income), since the beneficiaries attended approximately 450 hours of coursework during non-core working hours<sup>45</sup> (the course was set up by the provider in cooperation with the attendees to avoid prime working hours). The direct costs for the beneficiaries were relatively low (about 17%) as compared to the cost of foregone opportunities—likely a factor hindering the enrollment of the very poorest. Most people interviewed by the author during an implementation evaluation (2002) pointed to opportunity cost, rather than direct cost, as the usual reason for dropout from the literacy course. Among the poorest, while the direct cost may have acted

as a barrier to entry, opportunity costs may have driven down attendance among those enrolled. However, in either case, the effects of private costs on access and attendance do not appear to have been very strong, since the dropout rate in the project was surprisingly low (about 15%) and in many cases, the local women’s association covered the \$3 entrance fee. The low dropout rate also indicates that the participants considered the return on their investment (i.e., the return on direct costs and opportunity costs) to be reasonably good.

The opportunity costs discussed above were relevant to “average” participants. Some participants had higher opportunity costs, and some had higher returns on investment. In many cases, one or two particularly energetic people took the lead in setting up the course—and thus incurred higher opportunity costs than the other participants. For example, the leaders of the local women’s associations often had higher opportunity costs, because they were involved in time-consuming discussions and the “hassle” of setting up the subproject in the villages. The *relais* (local assistant or substitute instructors) had higher opportunity costs, since they were responsible for course follow up in the rainy period and after the subproject’s financing of activities ceased. The high opportunity costs faced by the *relais* led them to request financial incentives from the subproject. However, the payment of the *relais* was not deemed a sustainable approach, since it may have led to cessation of activities after subproject financing ceased. Instead, the PAPF tried to institutionalize the role of the *relais*, by considering it similar to the position of leader in the women’s associations. The subprojects provided specific training to women association leaders and to the *relais*. Such training sessions were, in many cases, considered as incentives for the participants since it gave them the opportunity to learn new skills, have an honorific position in the village, travel, and obtain direct financial benefits from the per diem payments during travel. At this point, however, the

experimentation around the *relais* function has not yet led to conclusive results.

The PAPF project document intended that “the project would finance 85% of the costs of the program; the provider would cover the remaining 15%” (SAR, 1996, p.11). The way this provider financing would function was not clearly laid out by the Staff Appraisal Report (SAR) but it looked as if the providers were perceived to behave like charitable organizations and that outsourcing would add extra resources to their work. The government Implementation Completion Report (DAEB, 2002) confirmed that the providers did not cover any remaining financing of the subprojects, but that participants’ fees (7% of the provider’s fee) together with the base unit cost (93% of the fee) covered the direct costs of running the subprojects.

### C: Project operational costs

The project operational costs in PAPF included the following cost items:

- Selection, monitoring and evaluation of subprojects (performed by the DAEB);
- Financial management (AGETIP);
- Operating costs for the PAPF project office (the Project Coordination Unit—PCU).

The Staff Appraisal Report commented on the recurrent costs of the project in the following terms: the “recurrent cost impact is low because: (i) the program and projects are pilots and limited in scope, (ii) implementation is being carried out by non-governmental organizations, and (iii) no new government staff are being recruited to execute or manage the project.” The PAPF budgeted \$556,000 in recurrent costs, mainly to be covered by the government (SAR, 1996). This amount enabled the government to follow up on project implementation, especially through the use of the PCU

and local staff members. The amount corresponds to a unit cost of US \$3 per beneficiary. In addition, AGETIP received 5% of the contracted amounts for its services (corresponding to a unit cost of \$3).

### **D: Investment costs (including investment in human capital)**

The investment costs in PAPF included the following cost items:

- Transportation and communication, such as cars and motorcycles for monitoring and evaluation activities; computers for statistics, etc.
- Training in outsourcing for DAEB, AGETIP and CNOAS staff members, as well as technical and administrative training for the staff members of the providers.

The budgeted investment costs (excluding providers' contracts) were estimated at \$2,214,000 (SAR, 1996). The amount corresponded to investments in cars and computer systems necessary for technical monitoring of the program, as well as human capital investments to enable government staff to monitor and evaluate the program. The budgeted investment costs corresponded to a unit cost of approximately US \$12 per beneficiary.

### **E: Cost incurred by ineffectiveness (dropout and failure)**

Some beneficiaries did not complete the course or they failed the final test. The unit cost *per literate* person ("graduate") was therefore higher than the unit cost per enrollee. Also, some of the enrollees had some exposure to school and may have been considered semi-literate or even literate, when they began the literacy course. It is debatable whether the further training of such learners should count

toward a successful outcome, since PAPF primarily targeted illiterate people. However, literate or semi-literate people improved their reading and writing abilities and acquired new knowledge and skills, especially income-generating activities and other functional skills. There is therefore a case for including them along with other "course completers" in estimates to the extent to which PAPF has a successful outcome.<sup>46</sup> This approach has therefore been adopted in this study.

For most operational purposes, the base unit cost and the operational costs (A and C above) are important, because they represent (i) the subvention to the providers; and (ii) the costs of running the project. For policy considerations, cost-benefit analysis and cost-effectiveness analysis, is useful to consider the total cost of the course (i.e., unit costs based on components A, B, C, and D). The combined recurrent cost, opportunity cost, and capital costs over the duration of a typical course (a minimum of 450 hours of training over a maximum of two years) come to a total unit cost of \$96 *per enrollee*, of which \$70 were public costs<sup>47</sup> and \$26 were private costs. When we calculate these costs per non-dropout (or completer), the total unit cost is \$113,<sup>48</sup> of which \$82 is public costs and \$31 is private costs. If one considers the success rate of the program, i.e., the pass rate on the final examination, the unit price rises still higher. The government Implementation Completion Report (DAEB, 2001) estimated the success rates for PAPF in 1997 and 2000 for reading, writing, and problem solving (see Table 1). Using the numbers in Table 1, an average estimate of 55% can be used to calculate a unit cost for "successful" learners.<sup>49</sup> The unit cost now climbs to \$205 per successful course "completer," of which \$149 is public costs and \$57 is private costs.

All costs are displayed in Table 5.

These estimates are subject to many uncertain assumptions, such as the opportunity costs. Dropouts frequently say they "lack time" to participate in the course. The extra

**Table 5: Private and public unit costs (including an estimate of opportunity costs)**

PROJECT UNIT COSTS in US \$		Unit cost per			
Cost Category	Enrollee	“Completer”	Successful		
(A)	Basic Unit Costs	50	59	107	
(C1)	Government recurrent costs	3	3	6	
(C2)	Contract management (AGETIP)	5	6	11	
(D)	Investment costs	12	14	25	
	Public unit costs	70	82	149	
		Unit cost per			
PRIVATE UNIT COSTS in US \$		Enrollee	“Completer”	Successful	
	Cost Category				
B1	Participant’s direct costs	3	4	7	
B2	Opportunity costs (estimated)	23	27	49	
	Private unit costs	26	31	56	
	TOTAL COSTS in US \$	96	113	205	

time is often needed for agricultural work, and occasionally for family obligations (tending to children, tending to sick family members). It is uncertain whether (and how) this time should be estimated in monetary terms. Also, as defined, a dropout will have dropped out before the course ended, and therefore will not bear the full opportunity cost of the course. This is why the opportunity costs for dropouts described above are unlikely to be as much as estimated; rather, this amount should be seen as a maximum opportunity cost.

People enrolled in the course for a short period may have drawn some benefits from the part they completed. Also some of the non-successful participants (45%) may have acquired sufficient skills to become fully literate later, through self-study. However, it is reasonable that the program indicators correspond to the goals of the program—and that they should distinguish failure and success as clearly as possible. This is usually done through criteria set forth in the procedures manual, and in the contract between the providers and the government. In the Senegalese case, the procedures manual did not outline indicators for success in

a clear-cut manner. Furthermore, it did not stipulate any bonus for successful subprojects, or any fine for unsuccessful ones. In The Gambia, clauses depicting clear indicators of success and failure (especially at the final examination of the beneficiaries) were included in the procedures manual to improve effectiveness (see Annex 4). It may be possible to improve cost-effectiveness by reducing the unit cost, however, this may cause fewer providers to participate. Alternately, with a higher unit cost, the program can test out new literacy strategies and stimulate growth of new providers, as PAPF did in Senegal.

A cost comparison of adult literacy education with primary education is useful on two grounds: (i) adult literacy education and primary education are both varieties of basic education, and components of Education for All goals—though they have distinctly different clienteles and curricula that only overlap in part; and (ii) primary education serves generally as a point of comparison for cost analysis of other stages in education systems. Such comparisons do not, however, compare like with like, and therefore do not imply that the

types compared are functionally equivalent with each other. In the case of PAPF, the public unit cost (\$70) can be compared to the yearly unit spending for primary schooling, which is approximately \$72.<sup>50</sup> Taking into account the repetition rate (13.6%) and completion rate (44.7%) in primary schooling and in literacy classes (dropout 15%; non-success 50%), completion of a literacy class costs about one-fifth of the completed five years of primary education. Internationally, the tendency is similar: nearly always, non-formal education is less costly than primary education. Oxenham et al. identifies unit costs ranging from \$4-5 in the Uganda FAL, to \$63 per learner for FAO's Peoples Participation Programmes. Valerio (2003) notes that in Ghana the average unit cost per literacy learner is US \$36 (for an 18-month program) and \$64 per *successful* literacy learner, whereas the average per student unit cost<sup>51</sup> of four years of formal schooling in the government system is US \$216. She notes "the findings suggest that literacy programs are successful in delivering literacy skills at a substantially reduced cost than in the formal school system. The cost per *successful* literacy program graduate, even assuming high dropout rates, is between one-third to one-half of the cost of four years of primary schooling" (Valerio, 2003; p.188). In Senegal, the public cost per successful participant in literacy courses is \$149, which can be compared to two years of primary schooling, or less than one year of *successful* primary schooling (counting dropout and repetition).

The favorable cost comparisons are *not* to say that primary education in any way should be substituted by adult or non-formal education. As noted in the introduction, since primary education is not yet universal in many countries, there is still a need for adolescent and adult literacy education. The cost estimates mentioned above, from Senegal and elsewhere, show that this type of education is not especially costly.

## Conclusion

Many programs justify adult literacy programs on equity grounds: literacy programs serve disadvantaged population groups (poor people, girls and women who for socio-cultural reasons have lacked access to education, ethnic minority groups). In Senegal, the PAPF and other programs provided access to basic skills and literacy education for the economically disadvantaged population (although not necessarily for the poorest of the poor). There is little research on the monetary and non-monetary benefits of the programs. In Ghana, studies of literacy programs found that the program did not seem to influence the cash earnings of the beneficiaries, and had only a small effect on their health and hygiene practices (Valerio, 2003). However, the Ghana program is more exclusively literacy-oriented than the PAPF. In both countries the unit costs are much lower than those of primary education. A review of international research on the impact of adult basic education (Lauglo 2001) concluded that there is strong evidence of the impact of adult education on the support parents give to their children's education, on improved self-confidence in public situations (sense of empowerment), and also some evidence showing improved family health, and better skills in market transactions. Cost-benefit studies that have sought to estimate empirically the rate of return on adult literacy courses have been missing, but a recent discussion paper for the World Bank by McMahon (2003, ch. 5) on the economics of the larger field of lifelong education concludes that the private and social returns to such education are likely to be distinctly high.

The unit costs in Senegal included public costs and private costs. The unit costs to the government were \$70 per enrollee (\$149 per "graduate"). Private costs consisted of a monetary fee of \$3 per beneficiary, and an estimated opportunity cost of \$23. It is unlikely that the costs borne by the participants were a

major barrier to course completion, since the dropout rate was so low. Research on the relative cost-effectiveness of different programs and curricula in Senegalese adult education is lacking. For all programs, performance indicators are needed as part of an effective system

for monitoring and evaluating results. Specifically, there is a need to ensure that the distribution of enrollees corresponds to the targeted characteristics, that the number of dropouts be kept low, and that the program has a high rate of successful completion.

## General Conclusion and Recommendations

**L**arge scale literacy education for adolescents and adults will be needed in many countries during the next two decades, and even beyond, as an outreach to give vulnerable groups who miss out on primary education a chance to obtain basic education. When universal primary education is reached, the need for literacy education will taper off as those who attended primary school reach adulthood. But, there will be a continued need for non-formal education for adolescents and adults who already can read and write. The outsourcing—or partnership—approach is a flexible method for implementation that can meet the changing needs for non-formal education where a government does not wish to make heavy long-term investments in public structures for delivery of literacy courses. The approach can facilitate subproject implementation that meets the demand in individual locations; in fact each intervention can be tailored to local requirements. Such program flexibility can generally make outsourcing a useful tool in new circumstances, for example in post-conflict zones, or in areas with a high incidence of HIV/AIDS.

Some proponents of outsourcing suggest that outsourcing avoids government obstacles with regards to setting up and financing sub-

projects, and may also argue that by bypassing the government, the approach also avoids the risk of public sector corruption. In this report, a rather different argument has been made: that the partnership approach, as its name suggests, requires direction and strong involvement by the government. Government involvement is critical on technical levels to ensure that a proper selection procedure is followed, and that the monitoring, evaluation, and feedback systems enhance subproject effectiveness. The “policing” function of monitoring and evaluation has often been emphasized in this report, but the capacity-building role of government is also important in carrying out these evaluative functions. In the PAPP, monitoring efforts were often combined with capacity-building workshops to strengthen the providers’ implementation. The government had more a helper’s role than an enforcement office’s role. Both roles are necessary, however, for successful program implementation.

The government’s involvement is crucial when it comes to policy formulation and implementation. Literacy projects based on outsourcing were successfully implemented in Senegal largely because of the government’s strong commitment to the approach—and to literacy. Hence, the outsourcing approach is no

substitute for public involvement, but relies on the government to direct the implementation process. Problems linked to financial management and transparency in public offices need to be addressed before setting up an outsourced program; for outsourcing is not a quick fix for mismanagement of public funds.<sup>52</sup>

Some critics have suggested that the outsourcing approach tends to reduce the needed advocacy role of NGOs and other civil society organizations. Others contend that such organizations, which are not always democratic associations representative of the local population, are given too large a role through outsourcing; and that the approach therefore is neither equitable nor democratic (e.g., if a religious association is implementing a subproject, the members of that association may be unfairly favored above others as recipients of benefits from the activity). However, the growth of civil society organizations is itself an objective for poverty reduction strategies—at least as envisioned in World Bank policy (Comprehensive Development Framework, Progress Report, 2001). In Senegal, the outsourcing approach led to the creation of a plethora of grassroots associations eager to be involved in literacy activities. Also, the projects revived many language associations (*Association de Langues*), local organizations that had as their mission to preserve local languages and the local culture. Regardless of the motives on behalf of the providers (service to the community or earning a living), the PAPP, together with other outsourced-based projects, have caused civil society organizations to proliferate in Senegal.

The approach that has been tested by PAPP can be used to implement other services in Senegal, and other countries can benefit by learning from the Senegalese experience. Certain general concerns are important throughout program planning and implementation:

- Clarity (in selection methods, criteria for selection, program goals, subproject

responsibilities, financing arrangements, indicators);

- Regularity (in monitoring and evaluation, financial transfers, selection procedures, information dissemination);
- Credibility (in data management and information, financial monitoring, fairness in selection, interaction with beneficiaries and with providers).

## General advice for outsourcing projects

In this report, I have used the PAPP as a case study to illustrate the set up of an outsourced project. The PAPP experience has shown that some methods for selection and implementation of subprojects worked better than others. The following list of recommendations is based on my understanding of which methods functioned well in the PAPP project, and of what could have been improved, and how. Obviously, circumstances in other countries are different from Senegal, and the process and methods must be adapted to fit each case.

### I. Setting up a project

- Design a simple selection and implementation process based on the existing administrative levels in the country (the process could consist of subproject formulation, verification by locally based staff, selection, contracting, implementation, monitoring and evaluation).
- Use a recognized agency (NGO, or a parastatal agency such as AGETIP) to function as the contract-management agency; make sure that the agency has a capacity for rapid contract management and for financial monitoring at local levels.

- Clearly define the role of each participant in the project. The participants in the subproject could include the beneficiaries and their organizations; the local education administration; the selection committee; the outsourcing agency; the providers and the providers' organization; and the central education authorities.
- Make sure that the beneficiaries are involved in the subproject formulation, and in all aspects of subproject implementation, monitoring and evaluation.
- Make sure that the local administration informs the beneficiaries about their rights and obligations (e.g., right to adult education classes, obligation to help the provider find a classroom).
- Make sure the selection committee does not include politicians, but only technical experts. If possible, include representatives of the beneficiaries in the selection process.
- Design realistic and effective monitoring and evaluation systems—these processes must be outsourced if the contract-management agency or the educational authorities do not have the ability to perform them; make sure that feedback mechanisms exist to inform those responsible for program policy about what succeeds and what fails (and how to fix the latter!) during program implementation.
- Prevent dishonest behavior by just penalties (such as full repayment of embezzled funds and exclusion from participation in future bids). The providers' association may be used, or a private company hired (such as a debt recovery company, or similar), to ensure enforcement.

## II: The Courses

- Make sure the selection and implementation schedule fits the beneficiaries (the schedule should *not* be made exclusively to fit the administrative agenda).
- Be explicit about program goals and indicators: include learning targets in the contract between the contract-managing agency and the provider; include indicators about learning tools, e.g., learning program, timetable, and student registry, in both the procedures manual and in the individual contracts; be clear about penalties for failure to fulfill targets.
- Ensure that instructors have sufficient training in how to teach adults. The requirements for the instructor's level of training and education should be included in the procedures manual.
- Ensure, through requirements in the procedures manual and subsequent monitoring, that the providers coordinate activities with relevant development initiatives. These may include local development plans, local schools and the school administration, and other ongoing development projects.
- The literacy training could be coupled with income-generating and other poverty-alleviating activities. The use of peer tutoring and group-work methods as a supplement to "class teaching" could be a means to ensure better and more rapid acquisition of reading and writing skills.
- Encourage the creation of local associations (e.g., women's associations) that can give support to the literacy courses. Offer some training to the leaders of such asso-

ciations (e.g., accounts, management) to strengthen their involvement in local development initiatives.

- To promote sustainability, make use of a local substitute instructor (*relais*) who is also given some training that would enable him or her to take a lead in continued literacy activities after the end of the subproject.

### III: The Costs

- Keep unit costs low by ensuring low waste: the highest dropout rate to be tolerated and the lowest completion rate that is acceptable should be specified in the procedures manual and in the contracts between the providers and the contract-managing agency.
- Ensure, through effective monitoring, that the beneficiaries enrolled in the subprojects correspond to the target beneficiaries. The evaluation methods should be set up in such a way that there is no incentive for the provider to enroll only literate people in the courses (such enrollment would boost the “success” rate, make the teaching very easy, and reduce costs considerably).
- Although the enrollment of target beneficiaries should be controlled, it is strongly recommended to allow some flexibility. In many cases, the literacy courses will attract a mix of people with different educational backgrounds who are keen to learn more. There is nothing wrong with this as long as illiterate people are given the first priority when learners are selected.
- Avoid waste by ensuring that the defined indicators correspond to the program goals—and that the tests administered to the beneficiaries provide reliable and valid data for these indicators.
- Use fines and other penalties to prevent misuse of funds by the providers.

## Time Frame for Subproject Implementation

The schedule for selection and implementation of the subprojects is generally the same every year, and consists of the following activities:

1. The dissemination of information about the outsourcing process, and the distribution of procedures manuals to interested parties must be done in the beginning of the calendar year, because it is necessary to give the potential providers some time to prepare for gathering information in the villages. The participatory assessment of the beneficiaries' situation *must be undertaken during the dry season*—since many villages are inaccessible during the rainy season (and the villagers are also too occupied to participate in the assessment at that time).
2. The providers write the subproject proposal and submit it during the rainy season. In Senegal, this is usually done during August. The proposals are submitted at the *department* (county) level.
3. The department checks the proposals according to the procedure, before sending the proposals to the person responsible for education at the regional level, in the beginning of September.
4. The preselection committee then analyzes the documents and sends them to the selection committee by mid-September (the proposals should reach the selection committee by the end of September).
5. The technical analysis is done by mid-October, and sent for approval. The results should be publicized by the end of October. The providers whose proposal has been rejected have five days to resubmit the proposal for re-evaluation (the re-evaluation is done by the committees for approval and technical analysis).
6. The contract-managing agency (AGETIP) signs the contracts with the providers immediately upon approval, and at the same time pays the first installment. The provider can therefore immediately begin procurement of equipment and the training of village instructors in early November.
7. The second payment is transferred upon a first report from the provider, including

(a) a description of the activities of the first trimester of implementation; (b) a financial report with receipts for expenses; and (c) a request for payment for the next period of project activities. The third and following payments are released upon on-site inspection of the progress of the subproject.

8. The courses usually begin in late November or December, and should continue for a maximum of 18 months from contract-

ing (i.e., most of the learning activities take place in the “dry” months, from late October to May). The courses should cover at least 300 hours of functional literacy teaching (includes numeracy and basic arithmetic), and 150 hours of basic skills activities.

9. After implementation, each subproject is evaluated and the corresponding account is closed by AGETIP. The provider can then begin preparing a new subproject.

## What are the Reasons for Investing in Adult and Non-Formal Education?

**T**he objective of an analysis of cost-effectiveness and of returns on investment in education is to provide information on investment alternatives to maximize social and private net gains. Yet, empirical research on the economic returns, specifically for investments in adult literacy education, is

extremely rare (see box 5). A recent attempt was made by McMahon (2003) to survey the literature on economic returns and externalities on a wider range of provisions covered under the concept of “life long education.” He concludes that countries generally under-invest in basic and continuing education for adults.

### Box 5: An example of indirect and direct “returns” to adult education

October, late evening in Senegal. Twenty-year old Nogoye Sene is sitting in front of me with her youngest son of three in her arms.

“The NGO people proposed a literacy course to us,” she said. “Before that, we had no access to schooling in the village. Sometimes, when we lacked money, we had to go to Dakar for work. We didn't know how to calculate our earnings, and to discuss our salary. We didn't earn much. The children stayed with their grandparents when we were away. Now, with the [literacy] project, we have learned to make soap and to dye clothes and we don't need to go to Dakar any more. It was difficult to afford the literacy course, but the local Women's Association helped us. Each participant had to pay 2500 FCFA.”

“We learned about health,” she continued. “I'm responsible for the medicine box of the villages. We have vaccination and the children are healthier.”

When asked what else she had learned, she answered, “The most important was about health. Also I learned to write.” To my question about the usage of her reading and writing skills, she responded, “I wrote a poem and I want to write more of them.”

*Source:* Author's interview with beneficiaries during evaluation of the program.

Adult education typically targets young people in the 15–35 age group who, it can reasonably be assumed, make faster use of their new knowledge than school children will. Moreover, if they are relatively young, they will still have a long benefit stream ahead of them. However, he found very little information on cost-benefit analysis on adult literacy education in the material he surveyed.

Drawing on literacy surveys in Africa, it is useful to assume that most children need five to six years of primary schooling to become “literate”: “A high share of the adults who have completed less than five or six years of primary schooling remain functionally illiterate for the rest of their lives” (Bruns, Mingat & Ratakomala, 2003). This contrasts with other countries<sup>53</sup> where the majority of children usually attain fluent literacy after three or four years of schooling (PIRLS, 2003). The unit costs for non-formal education leading to literacy are much less than for five years of primary schooling. In fact, the annual unit costs of non-formal education are, in the great majority of non-formal education programs, lower than the annual cost of the cheapest form of formal schooling (which is primary school). True, in some cases, it was shown that the benefits accruing to the full cycle of primary schooling are greater (Valerio, 2003; Sandiford, 1995), but so is the expense.

In any event, the quality of learning (and presumably the benefits) will vary widely among providers, methods, and programs. There are cases where, after some 18 months of part-time attendance in a literacy course, adults on average will outperform school children who have had 3–4 years of full time schooling, in terms of basic literacy skills (often when these same adults have had no prior exposure to school, before commencing their literacy course). One example is the FAL program in Uganda (Okech et al., 2001).

The average age of participation in literacy courses in Senegal is 21 years. The lessons include hands-on practical training, and basic

knowledge about health and hygiene, as well as sensitizing them to HIV/AIDS issues. Benefits from education are not easily measured in economic terms (see box above). For example, the profitability for Nogoye Sene of traveling to Dakar and doing seasonal work there, rather than producing soap and dyeing clothes in the village is difficult to estimate, since she prefers to remain in the village as opposed to traveling a great distance to work. It may be possible to estimate the rates of return by comparing the differences in earnings (applying a market estimate of the discount rate for net present value calculation), and subtracting the social costs of the course (consisting of opportunity costs and the direct cost of 2500 FCFA per participant). In addition, Nogoye Sene’s newly acquired knowledge may have some further direct monetary returns, since she is now in a better position to discuss the price of vegetables at the market and to negotiate her salary.

Recent developments in the calculation of returns in education have tried to take into account effects that are not directly linked to income gains, especially effects on health. Mostly, cost-benefit research on non-monetary effects has concentrated on issues such as (i) consumer behavior, (ii) health, (iii) family life, and, to a lesser extent, on (iv) asset management and (v) migration (Cohn & Geske, 1990). In comparing this list with the case of Nogoye Sene, it can be noted that the literacy course yielded non-monetary returns in all these domains. In addition to getting better skills in reading, writing and practical arithmetic, the beneficiaries learn about health and nutrition, and organize themselves into small groups practicing income-generating activities. For participants in these courses, the monetary gains in education only cover a small part of the benefits of education, since the project also focused on health and hygiene issues.

A recent review (Lauglo, 2001, p. 16–22) found evidence of the impact of adult literacy education in these areas: (i) literate mothers

support children's education, (ii) literacy education leads to a sense of empowerment, (iii) more effective communication (oral as well as written), (iv) improved family health, (v) more productive livelihoods (There is a dearth of quantitative studies on the latter type of benefit).

One quantitative study of monetary benefits on non-formal education was recently done by Valerio (2003) on the impact of adult literacy education in Ghana, using data from the Living Standard Measurement Study 1998/99. She found scant monetary benefits and mixed results regarding non-monetary benefits. In keeping with earlier reviews and studies (Laulo, 2001; PIRLS, 2003) she found a clear positive effect of parental literacy on primary school attendance for children. The longitudinal study currently underway in Senegal did not collect data on this question. A new impact study, with findings expected for 2005, will address both monetary and non-monetary returns in adult education.

The Ghana program, as opposed to the PAPF, is government-delivered, and concentrates more exclusively on providing literacy skills. One can also speculate that urban courses have higher returns in direct cash terms because participants belong to a cash-based economic system, whereas rural participants often subsist from farming and will not in the

same way derive direct income gains from literacy skills. Certain findings in Valerio's study suggest this may apply to primary education. In a longitudinal study now in progress in Senegal, the single most important reason the participants, both urban and rural, gave, as a reason for enrolling in the literacy course, was income improvement.

Findings in Senegal, although not backed with a solid database, are more positive than in Ghana. During most evaluative visits to the PAPF project, the interviewed participants point to some positive impact due to participation in the literacy courses, i.e., better knowledge to health and nutrition; better knowledge about how to organize production in small-scale associations; more successful market transactions; and better management of the household economy (DAEB, 2002). As noted, the baseline study of the longitudinal study currently underway found that the main reason why the participants attend literacy courses is the financial benefit they hoped for. Table 6 summarizes these impressions:

Most of the benefits shown in Table 6 above will have some indirect monetary benefits, e.g., HIV/AIDS awareness is believed to cause a lower infection rate, thereby reducing both family and community costs linked to the disease. An added advantage is the role of litera-

**Table 6: Monetary and non-monetary benefits of literacy education**

	Monetary benefits and/or preconditions of monetary benefits	Non-monetary benefits
Personal benefits	Skills for new income-generating activities; Skills for calculating earnings; Access to better jobs; Higher cash income (?)	Better health (vaccination, hygiene); HIV/AIDS awareness; Happiness/entertainment (access to writing and reading religious, entertainment and cultural literature); Individual empowerment.
Externalities	More efficient markets; Lower public health costs; Lower crime; Higher national productivity.	More democratic participation/stronger capacity for collective action; Higher percentage of children attending school (especially girls); Health/hygiene spillover effects; Better nutrition for family.

cy education as a low-cost outreach service for especially vulnerable people. Further, since the learners are not children but adults, literacy and non-formal education programs probably have quicker *returns* than formal schooling.

The overall goal of the World Bank is poverty reduction. The World Bank sees poverty as an unacceptable deprivation in human well-being. Thus, poverty is multidimensional and not confined to cash income (World Development Report, 2000/01). Moreover, “education and training for youths is not only an economic imperative. In many countries young people’s dissatisfaction and disillusionment with their prospects for education and work threaten social cohesion and stability. Reaching this age group through formal and non-formal edu-

cation is also vital to the targeted intervention in such areas as HIV/AIDS and reproductive health education and programs to raise awareness of civic rights and responsibilities” (World Bank, 2001, p. 14).

Policy choices in education should be based on consideration of both monetary and non-monetary benefits as well as concerns about equitable access to these benefits. In fact, adult education can be seen as an equity measure since it provides a second chance for those who have been disadvantaged by the formal education system (girls in many African countries, vulnerable ethnic groups, and the poor). The importance of literacy courses to give such vulnerable groups a second chance is clear.

# The Public–Private Partnership Criteria Checklist

**T**he checklist below is appropriate for considering whether or not to use a partnership approach (based on outsourcing or any other public-private implementation mechanism). Source: IFC Toolkit for PPP in Education (2003).

## 1. Financial criteria

- Is the project financially viable?
- Can the project function on a stand-alone basis?
- Is it possible to define an equitable rate-setting mechanism?

## 2. Technical criteria

- Does the project have any inherent technical constraints that could be solved by the private partner?
- Can the public sector develop appropriate technical specifications?
- Can appropriate mechanisms be established to monitor the performance of the respective partners?

## 3. Operational criteria

- Can the public sector organization develop appropriate operating standards for the project?
- Are there any operational issues that cannot be realistically addressed by a private partner?
- Can the private partner be held accountable for appropriate performance?

## 4. Accountability criteria

- Is the public willing to accept the public-private partnership approach?
- Are elected officials willing to accept a partnership approach?
- Are other stakeholders (e.g., public sector workers) willing to accept a partnership approach?

## 5. Implementation criteria

- Is it possible to generate meaningful competition?

- Is the project free of jurisdictional or liability issues?
- Can an integral project champion be found?
- Can this project champion access the necessary resources?
- Can a successful transition plan be developed?

#### **6. Timing criteria**

- Are the time lines adequate to develop operating specifications?
- Is the time allocation sufficient for the project to be delivered according to the performance specifications?

## Summary of Senegal's Procedures Manual<sup>54</sup>

### Introduction

The government, with World Bank support, has implemented a functional literacy program since 1995. Providers execute this project locally according to modalities explained in this procedures manual. The program has progressively been extended to include post-literacy activities, as well as newspaper production and printing of books in national languages. Despite largely successful implementation, there has been a lack of post-literacy training sessions, lack of direct economic benefits from the courses, and lack of understanding of the functional and practical side of literacy programs from the providers' side. Evaluation of early implementation experiences has led to a revised strategy, consisting of more complete and integrated subprojects. The present revised procedures manual will focus on the following aspects:

1. The functionality of the programs in terms of improving the income of the beneficiaries
2. The formulation of subprojects that are more tailored to the beneficiaries' needs through more participatory needs assessments
3. Setting up a structure to ensure retention of literacy activities in the implementation sites beyond subproject financing

4. Strengthening the organizational capacities of the beneficiaries
5. Use of providers specialized in integrated development instead of providers specialized only in pedagogy

The integrated character of the intervention is based on the following four principles:

1. Strengthening of the beneficiaries' associations
2. Development of endogenous human resources (associations, leaders, members, and the *relais*<sup>55</sup>)
3. Coordination of activities with local administrative, financial and association services
4. Making the beneficiaries' association autonomous through income-generating activities and setting up a permanent structure for learning at the subproject implementation site.

The request for financing will ensure that the training plan is set up in coordination with the local development plan, and that all the proposed activities are coordinated with other local development activities. The figure on the next page shows how the present procedures manual sets forth these new options.

## I: Roles and responsibilities in literacy education

Stakeholders	Composition and/or identity	Political role	Administrative role	Financial role	Technical role
<b>1. CNEA: Comité National d'Élimination de l'Analphabétisation (National Committee to Eliminate Illiteracy)</b>	<ul style="list-style-type: none"> <li>- Concerned ministries</li> <li>- Provider organizations</li> <li>- Financial and technical partners</li> <li>- Beneficiaries' organizations</li> </ul>	<ul style="list-style-type: none"> <li>- Participate in the definition of a literacy policy and in the establishment of a national literacy program</li> <li>- Evaluate results</li> <li>- Awareness raising</li> <li>- Coordinate development partners</li> <li>- Define target zones for implementation</li> </ul>	<ul style="list-style-type: none"> <li>- Proposition of regulatory texts to concerned parties</li> <li>- Annual review of the program with all interested partners</li> </ul>	<ul style="list-style-type: none"> <li>- Internal (i.e., from national budget) and external mobilization of funds for the literacy program</li> </ul>	<ul style="list-style-type: none"> <li>- Mobilize public and private partners for successful set up of the program</li> <li>- Monitor and evaluate the program's performance indicators</li> </ul>
<b>2. PCU (Project Coordination Unit)</b>	<ul style="list-style-type: none"> <li>- Assistance and management responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>- Promote the program (publicity, marketing)</li> <li>- Coordinate with other development actions in the country</li> </ul>	<ul style="list-style-type: none"> <li>- Distribute the procedures manual</li> <li>- Register requests for funding of subprojects</li> <li>- Provide information to CNEA and other parties about the progress of the program</li> </ul>	<ul style="list-style-type: none"> <li>- Set up annual program budget</li> <li>- Monitor disbursements</li> </ul>	<ul style="list-style-type: none"> <li>- Economic and financial evaluation of the program</li> <li>- Update and distribute lists of available pedagogical material, specialists, and support structures</li> <li>- Measure the results of all aspects of the program</li> </ul>
<b>3. AGETIP: Agence d'Exécution des Travaux d'Intérêt Public (Contract-Managing Agency)</b>	<ul style="list-style-type: none"> <li>- Director</li> <li>- Technical services</li> <li>- Controllers</li> <li>- Regional contract-managing bureaux</li> </ul>	<ul style="list-style-type: none"> <li>- Sign agreement on financing</li> </ul>	<ul style="list-style-type: none"> <li>- Sign the subproject contracts with providers</li> </ul>	<ul style="list-style-type: none"> <li>- Monitor the providers' financial management</li> <li>- Monitor accounts of IDA, government and other partners; provide periodic reports</li> <li>- Organize financial and technical audits of the program</li> <li>- Act on advice of the audits</li> </ul>	<ul style="list-style-type: none"> <li>- Organize financial training of providers and other partners</li> <li>- Contract out monitoring and evaluation of the providers' financial management and certification of account management</li> </ul>

Stakeholders	Composition and/or identity	Political role	Administrative role	Financial role	Technical role
<b>4. Local preselection committee</b> Note: Recently, the role of this committee has been strengthened, and the selection procedure is now fully decentralized	<b>a) Members</b> Regional official responsible for literacy Official responsible for community development Official responsible for regional council Official responsible for regional service for development (CERP) <b>b) Observers</b> Representative from providers' association Representative from project	- Ensure that the subprojects are concordant with local development plans and are implemented in the local target zones for development	- Certify agreement with the providers' presence in the zone - Control the legal existence of the providers - Ensure that the providers have not been subject to legal pursuit or to sanctions - Certify the technical quality of the subproject and its relevance to local circumstances	- Ensure validity of financial arrangements (i.e., income-generating activities, and financial contribution from community)	Certify validity of providers' statement on the following issues: - Information on studies of implementation zone - Agreements with beneficiaries - Classroom or literacy center availability - Confirm whether the request fulfills criteria 1 and 2 of the procedures manual (see section II below) - Preselection of requests fulfilling these criteria
<b>5. Technical analysis committee (Selection committee)</b>	- One representative from Delegate Ministry for Basic Education and Literacy - One representative from MFSSN: Ministère de la Famille, de l'Action Sociale et de la Solidarité Nationale (Ministry of the Family, Social Action and National Solidarity) - One representative from l'AGETIP - Two members without voting rights One representative from the providers One representative of the PCU	- Guarantee (a) equity in selection by presence of observers from civil society, (b) the quality of the selection through the use of technical criteria as established by the procedures manual, (c) transparency, through publication of the records of the selection	- Evaluate providers' propositions of subprojects for financing, propose subprojects for financing and for revision and re-evaluation (note: this occurs when a provider has proposed a good subproject which contains some errors, e.g., in the financial dispositions) - Validation of revised subprojects	- Verify that the budget proposal takes into account market prices for budget items, and that the overall cost does not exceed the unit price established by the procedures manual	- Individual analysis (by each member) of each subproject proposal on the basis of a technical evaluation matrix in the procedures manual - Joint deliberation which takes into account local recommendations - Write-up of the proceedings

<b>Stakeholders</b>	<b>Composition and/or identity</b>	<b>Political role</b>	<b>Administrative role</b>	<b>Financial role</b>	<b>Technical role</b>
<b>6. Providers</b>	<ul style="list-style-type: none"> <li>- National and international NGOs</li> <li>- Community-based organizations</li> <li>- Development organizations (Sociétés de développement)</li> </ul>	<ul style="list-style-type: none"> <li>- Participate in consultations and in discussions with government agencies especially through the CNEA</li> <li>- Promote the program among potential beneficiaries</li> <li>- Develop partnership links with the communities</li> <li>- Set up a professional providers' association</li> </ul>	<ul style="list-style-type: none"> <li>- Prepare and submit requests for financing of subprojects</li> <li>- Sign contracts for financing of subprojects</li> <li>- Sign a protocol agreement with the beneficiaries</li> <li>- Submit technical reports as indicated by the procedures manual</li> <li>- Inform the local authorities about the plan and implementation of the subproject</li> </ul>	<ul style="list-style-type: none"> <li>- Open a bank account for the subproject</li> <li>- Set up financial statements according to the accountant log in the appendix of the procedures manual</li> <li>- Send financial reports and statements together with receipts to the contract-managing agency</li> </ul>	<ul style="list-style-type: none"> <li>- Identify beneficiaries, and if necessary, support their association</li> <li>- Conduct feasibility study using participative methods</li> <li>- Set up a request for financing of the subproject</li> <li>- Improve, if necessary, the request according to recommendations from the selection committee</li> <li>- Implement the subproject in conformity with the contract</li> <li>- Provider evaluates results of the learning and financial controls from the Ministry and AGETIP</li> <li>- Participate in external evaluations of learning (i.e., when external agents evaluate subproject)</li> <li>- Coordinate with other development projects implemented in the same locality</li> </ul>

Stakeholders	Composition and/or identity	Political role	Administrative role	Financial role	Technical role
<b>7. Beneficiaries</b>	<ul style="list-style-type: none"> <li>- Illiterate population groups living in the target areas of program implementation (especially women and girls). These groups should preferably be organized</li> </ul>	<ul style="list-style-type: none"> <li>- Choose which type of functional skills they wish to learn</li> <li>- Identify beneficiaries (i.e., the community chooses the beneficiaries)</li> <li>- Organize community participation (management committee)</li> </ul>	<ul style="list-style-type: none"> <li>- Set up of a management committee</li> <li>- Sign agreement with the provider</li> <li>- The management committee keeps class registry</li> </ul>	<ul style="list-style-type: none"> <li>- Participate financially through cash payment or in-kind as specified by the procedures manual</li> </ul>	<ul style="list-style-type: none"> <li>- Choose the course dates, the place for the training, and the language of instruction</li> <li>- Identify and propose instructor(s) to the provider</li> <li>- Identify and mobilize resource persons to teach functional skills</li> <li>- Participate in internal and external evaluations on the impact of the program</li> </ul>
<b>8. Decentralized education services</b>	<ul style="list-style-type: none"> <li>- IA Inspection d'Académie (Chief Education Office)</li> <li>- IDEN (Inspection Départementale de l'Éducation Nationale—Departmental Office of Education)</li> </ul>	<ul style="list-style-type: none"> <li>- Define a local plan to reduce disparities in education in partnership with all local stakeholders</li> <li>- Define target zones (through use of mapping to avoid concentration of subprojects in the same zones)</li> <li>- When/if needed, conflict management at local level</li> </ul>	<ul style="list-style-type: none"> <li>- Receive and register requests for financing</li> <li>- Formulate technical advice on the requests</li> <li>- Submit reports on monthly monitoring of the subprojects to the DAEB, AGETIP and the PCU</li> <li>- Monitor the local literacy situation</li> </ul>	<ul style="list-style-type: none"> <li>- Control the information given by the provider on implementation of activities in the subproject proposals</li> <li>- Control the existence and functioning of literacy centers during subproject implementation</li> <li>- Participate in evaluation teams</li> <li>- On request, provide support to providers</li> <li>- Control the process of collecting data for statistics</li> </ul>	<ul style="list-style-type: none"> <li>- Control the information given by the provider on implementation of activities in the subproject proposals</li> <li>- Control the existence and functioning of literacy centers during subproject implementation</li> <li>- Participate in evaluation teams</li> <li>- On request, provide support to providers</li> <li>- Control the process of collecting data for statistics</li> </ul>

Stakeholders	Composition and/or identity	Political role	Administrative role	Financial role	Technical role
<b>9. National Agency for Literacy (DAEB)</b>	<ul style="list-style-type: none"> <li>- Senior Management</li> <li>- Unit for Monitoring and Evaluation</li> <li>- Unit for learning materials and the promotion of a literate environment</li> <li>- Unit for studies and in-service training</li> </ul>	<ul style="list-style-type: none"> <li>- Prepare reports on the implementation status of the national literacy program</li> <li>- Prepare propositions for revision and improvement of the national literacy program</li> <li>- Prepare proposition of regulatory texts for the sector</li> </ul>	<ul style="list-style-type: none"> <li>- Follow up on the application of regulatory texts</li> <li>- Manage administrative personnel in the literacy field</li> <li>- Ensure that CNEA has a permanent secretariat</li> </ul>	<ul style="list-style-type: none"> <li>- Establish an annual budget for literacy</li> <li>- Manage credits accorded by certain institutions (UNESCO, ACCT, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>- Conceive a national literacy program</li> <li>- Propose target zones and population groups for literacy</li> <li>- Undertake cost-effectiveness studies on literacy projects and/or programs</li> <li>- Update repertoires of: (a) learning materials, (b) providers, (c) support structures, (d) consultants</li> <li>- Evaluate the appropriateness of learning materials</li> <li>- Monitor and evaluate the subprojects and the program</li> <li>- Set up a database for continuous monitoring of performance indicators</li> <li>- Prepare documents and reports as needed for the annual reviews of the program</li> </ul>

<b>Stakeholders</b>	<b>Composition and/or identity</b>	<b>Political role</b>	<b>Administrative role</b>	<b>Financial role</b>	<b>Technical role</b>
<b>10. Support institutions</b>	<ul style="list-style-type: none"> <li>- ENEA (Ecole Nationale d'Economie Appliqué – National School on Applied Economics)</li> <li>- National Resource Center on Literacy<sup>4</sup></li> <li>- Etc.</li> </ul>	Participate in the CNEA	<ul style="list-style-type: none"> <li>- Sign protocols of cooperation with the beneficiaries, providers, technical services, and/or PCU for provision of services</li> </ul>		<ul style="list-style-type: none"> <li>-Support program and/or providers through contracts with AGETIP or providers, in the areas of (a) studies and evaluations; (b) training; (c) conception of learning materials; (d) subproject formulation; (e) editing books; (f) conducting IEC (Information–Education–Communication) programs; (g) financing; (h) translation and adaptation of materials to specific settings; (i) organization and management of subprojects, etc.</li> </ul>

## II: Presentation of the Request

The request for subvention of a subproject is prepared by using the template for subproject requests in the annex of the procedures manual (not included in the present text). The provider is invited to present any supplementary information that is believed to be of use during the evaluation of the subproject. The necessary information for the request is presented below.

### 1. Eligibility of the provider

A provider is eligible to implement a literacy program if:

- The provider exists legally;
- The personnel involved have the necessary qualifications to implement the subproject;
- The needed equipment and infrastructures are available.

### 2. Knowledge about the locality and local demand for literacy

Knowledge about the locality and local demand for literacy implies that the provider has undertaken an in-depth participative study and needs assessment of the proposed implementation site. The methods and the results should be clearly indicated in the request for funding, with precise information about the target zones and the indirect and direct beneficiaries of the program.

### 3. An appropriate and functional learning program

The learning program is considered adaptable and satisfactory if it clearly responds to the requests of the beneficiary population as revealed in the needs assessment.

### 4. Efficient management

Efficient management means setting up an integral system of planning, budgeting, and monitoring and evaluation, which guarantees a successful implementation of the subproject.

### 5. Institutional support

Institutional support means to allocate a part of the subvention to strengthen capacities at the provider and beneficiary levels.

## III: Eligibility Requirements for the Proposal

The requests shall be made according to the model in the procedures manual (not provided here) and shall respect the following selection criteria to be eligible to obtain financial support from PAPP:

### Requirement 1: Provider's eligibility

- 1.1 The provider can prove that the organization has had a legal existence for at least 12 months prior to the request for funds.
- 1.2 The provider has already undertaken education training (formal or non-formal) and proves this.
- 1.3 The provider has already managed a development project or program, preferably a literacy program, and proves this.

The provider is experienced in the areas of development activities in which the beneficiaries wish instruction (as revealed by the needs assessment). If the provider has no experience in the considered development activities, cooperation with specialized agents/experts needs to be established. The proof of this cooperation must be attached to the request.

- 1.4 The provider has the following personnel (please attach CVs following the model in the procedures' manual—not provided in this text):
  - *A coordinator with prior experience in management;*
  - *An account manager who has been trained in bookkeeping;*
  - *One or several supervisors having been previously employed as instructors.*
- 1.5 The provider has or will have competent instructors to implement the planned activities within the time limits (development agents from the same background, who are willing to do the job, motivated and trained for their assignment).
- 1.6 The provider has appointed the required personnel for technical, functional and basic skills training and has supplied proof of their involvement in the conception of the program, and of their availability to perform their respective tasks.
- 1.7 The provider has a functioning head office, and if necessary, local offices.
- 1.8 The necessary premises (classrooms, literacy center, workshop...) to successfully undertake the training, as well as adequate equipment, are readily available or can be purchased.
- 1.9 It is advantageous if the provider is a member of a providers' association.

### **Requirement 2: Provider's knowledge about the locality and local demand for literacy**

- 2.1 The implementation sites correspond to the target zones of the program as identified by local authorities.
- 2.2 The provider has indicated the physical, social, cultural and economic characteristics of the area in general, and has also provided a specific description of the sites where the classes are proposed.

- 2.3 The provider has supplied all necessary information to identify the beneficiaries (type of local association, number of members, gender, age, prior instruction level, profession and/or occupational activities).  
The minimum of beneficiaries is 600, of which at least 75% should be women in the age range of 15–39 years.
- 2.4 The provider has indicated how the program will affect indirect beneficiaries—and has provided information about the identity and location of these beneficiaries.
- 2.5 The occupational activities of the beneficiaries are presented, including information about the problems the beneficiaries encounter when performing these activities, as well as a detailed description of these problems and how the literacy course will deal with them.
- 2.6 The expectations and requirements of the beneficiaries have been formulated in a signed agreement (with the beneficiaries) attached to the request.
- 2.7 A clear description of roles and responsibilities of the subproject is provided for each of its stages (conception, implementation and evaluation).
- 2.8 The beneficiaries have established a management committee.

### **Requirement 3: An appropriate and practical learning program**

- 3.1 The problems addressed by the program are clearly formulated with precise indicators.
- 3.2 The objectives of the program allow the beneficiaries to learn instrumental knowledge (i.e., literacy), to organize themselves efficiently, to have endogenous human resources qualified to ensure local continuing education, to undertake activities that can increase local income, and to set up a documentation/reading center that is functional and well used.

- 3.3 The general and specific objectives of the program are well defined, and success indicators for the specific objectives are indicated.
- 3.4 The learning content is practical, i.e., it relates to the daily activities of the beneficiaries.
- 3.5 The proposed learning strategy leads to self-reliance of the beneficiaries and permanence of education activities in the village (i.e., activities are continuing beyond subproject financing).
- 3.6 The proposed activities will teach practical knowledge that can be applied to real-life situations.
- 3.7- The training plan for the beneficiaries and staff indicate clearly the competencies needed to exercise specific functions and to perform specific activities. The need for training sessions to enable people to acquire these competencies, the content and duration of each training category, the place and materials to be used for the training, etc, should be clearly indicated.
- 3.8 Information on course set up is provided, indicating the place where the course is conducted, the duration of the program (which should not exceed 24 months), as well as the training time (the program requires a minimum of 300 literacy training hours for a total of at least 450 training hours).
- 3.9 The training methods are indicated for each activity.
- 3.10 The learning material is indicated and is related to the objectives and the activities of the program.
- 3.11 The program ensures the creation of a literate environment and initiates the beneficiaries in reading newspapers and books.
- 3.12 The provider has set up mechanisms for continuing education, which is integrating basic skills and literacy training. This

mechanism is set up through the selection and training of an endogenous relais, by connecting the local association to local administrative and financial networks, and by promoting the association's income-generating activities.

#### **Requirement 4: Efficient Management**

- 4.1 The mechanisms for administrative and technical management include:
  - Operational plan for implementation of activities
  - Administrative follow up
  - Technical follow up
  - Evaluation plan
- 4.2 The mechanisms for accounting include:
  - Resource mobilization plan
  - Specification of beneficiaries' financial or in-kind contributions
  - Detailed budget of each activity
  - Indications about financial monitoring
- 4.3 The requested subvention should not exceed 37,000 FCFA per beneficiary; each beneficiary should contribute toward the cost of the program with at least 2,500 FCFA (see annexes of the procedures manual, with a proposed budget for 20 classes with a total of 600 beneficiaries (not provided in this text)).

#### **Requirement 5: Institutional support**

- 5.1 The provider organization has accounted for the use of its part of the institutional support included in the subvention.
- 5.2 The provider has accounted for the use of the part of the institutional support that is intended for the beneficiaries.
- 5.3- The total amount of the institutional support does not exceed 10% of the total amount, calculated from the total budget for program implementation without institutional support.

## IV: Selection criteria for the subprojects

The local preselection committee ensures that the request is compliant with the following three requirements before proceeding to the analysis: (i) timely submission of the request; (ii) legal existence of the provider; and (iii) the submitted dossier includes five copies of the requests. If one or several of these three criteria are not fulfilled, the local preselection committee does not proceed with the analysis.

A request is rejected if it does not conform to the four criteria below. A request is eligible if all four criteria are judged satisfactory:

- (a) *Provider eligibility*
- (b) *Knowledge about the implementation environment*
- (c) *An appropriate and practical learning program*
- (d) *Efficient management*

Any of these criteria are judged satisfactory if they obtain at least 60% of the maximum rating (see rating sheet in the annex of the procedures manual—not provided in this text).

In the selection process, the best proposals among those that are not rejected are selected through rating. If the annual PAPF budget exceeds the amount requested by eligible subproject proposals, the proposals having obtained less than 60% of the maximum rating (and that were therefore previously classified as ‘ineligible’) will be selected according to the total score obtained during the technical analysis of the proposal, i.e., the projects with the highest rating will be selected first.

## V: The Stages of a Subproject

### 1: The selection of a subproject

#### 1st stage: Information to providers

The PCU, the DAEB and the decentralized offices of the Ministry of Basic Education and

National Languages inform the potential providers about the existence of the PAPF and distribute the current procedures manual to all interested parties.

#### 2nd stage: Preparation of a subproject proposal by the provider

The interested providers contact illiterate population groups likely to be interested in a literacy program, undertake a participatory needs assessment, decide with the beneficiaries on which functional aspects the literacy program will focus, negotiate the content and implementation procedures of the training program, and formulate the request for financing based on the model presented in the annex of the procedures manual (not included in this text).

#### 3rd stage: Submission of the request for financing of the subproject

The provider submits five copies of the request to the local education office between August 1st and 30th of each year, after having received consent to implement literacy activities in the selected area from the local education officer.

The departmental officer (Inspecteur) of education verifies the following:

- *The education office of the department must agree to the literacy activities undertaken in the department by the provider in question.*

- *An on-site inspection of at least 20% of the proposed sites must verify that the information in the request is exact, and that the request is made in agreement with the beneficiaries.*

- *The implementation sites must correspond to priority areas for local development and must correspond to target areas for education.*

The officer should formulate an opinion within a week of receiving the subproject proposals, i.e., between September 1st and 7th.

**4th stage: Preselection**

The departmental officer (*Inspecteur*) of education sends the request with a delivery note to the Regional Chief Education Officer (*Inspecteur d'Académie*) by September 8th.

The local preselection committee is composed of a representative of the Regional Education Council, the Regional Chief Officer of Education, head of the Office for Community Development Services, and the head of the Office for Local Development Services. The committee analyzes the requests between September 10th and 20th.

This preselection is based on the providers' capability, and on the knowledge of the local environment. If any of these two criteria are not fulfilled, the request is rejected. The providers' regional organization assists in the preselection without having a vote. The assessment of the providers' association is included in the minutes from the preselection deliberation. A representative from the project coordination unit will provide any necessary information to clarify the preselection process for the committee.

**5th stage: Transmission**

The Regional Chief Education Officer (*Inspecteur d'Académie*) transmits the preselected requests to the PCU with transmission notes on the two aforementioned criteria (providers' capability; knowledge of the local environment). The proposals should arrive to the PCU within three days of the preselection, or between September 21st and 24th.

**6th stage: Reception**

The PCU sends the proposals to the selection committee within three days of receipt, or between September 25th and 27th. One or two selection committees can be set up every year, according to the number of requests to be analyzed.

**7th stage: Technical analysis**

The selection committee is composed of: (i) four members with voting power, one of which is an independent consultant selected by the Ministry of Basic Education and National Languages, one member from the Ministry of Basic Education and National Languages, one from the Ministry of Family, Social Action, and of National Solidarity and one from the AGETIP respectively, as well as three members without voting power: one representing the providers, one representative from the PCU, and one from the literacy resource center.

The members with voting power will first individually analyze the requests, taking into account the evaluation notes (criteria 1 and 2) from the regional preselection procedure, and then proceed to a joint evaluation session before preparing the minutes from the deliberation. The technical analysis is based on an evaluation form (including weighting of each selection criteria) and should be completed within 14 days of receiving the proposals.

The observers participate in the discussions and assist during the entire selection process, and can request that their observations are included in the minutes from the selection process. The minutes are published by the PCU and distributed to all partners and providers by October 31st at the latest.

**8th stage: Approval**

The approval committee, which includes the director of the DAEB, the director of community development of the Ministry of Family, Social Action, and of National Solidarity, and the director of AGETIP, gives the final approval for financing the selected requests, after having ensured that a proper selection procedure was utilized.

The approval committee checks the following: (i) the selection procedures, and especially the strict criteria of eligibility; (ii) the processing of any appeal for re-evaluation of the

requests; (iii) the number of classes financed as compared to the number of classes the providers submitted for financing;<sup>57</sup> (iv) the selection committee's decisions on the need for reformulation of any of the subproject requests; and (v) the decisions on eligibility.

When the approval committee gives its endorsement, an approval decree on the selection is signed by the director of the DAEB.

The providers that find it necessary can, at that point, submit an appeal to the approval committee, which will discuss the request for appeal with the selection committee. The request for appeal can be sent a maximum of five days after the publication of the results of the decisions made by the approval committee.

## Implementation of the subprojects

### 9th stage: Contracting

After approval, AGETIP will proceed with the following actions: (i) sign a contract with the selected providers based on a model of the contract provided in the annex of the procedures manual (not included in this text); and (ii) transfer the first installment of the subvention amount into a specific account opened by the provider for the subproject.

### 10th stage: Implementation of the subproject by the provider

The provider implements the subproject in conformity with the contract signed with AGETIP.

In this context, the provider will:

(i) Inform and remobilize the beneficiaries with whom the implementation agreement has been written

(ii) Check that the local management committees are operational, and collect the beneficiaries' financial (or in-kind) contributions to the subproject

(iii) Proceed, if necessary, with the recruiting of project personnel

(iv) Procure the necessary learning materials and equipment corresponding to the first installment of the financing

(v) Implement activities as planned by the subproject

(vi) Ensure internal supervision and evaluation of the activities through the use of three types of reports: (a) attendance records kept by the instructor (b) the supervisor's reporting book (c) the financial manager's register

(vii) Submit to PCU and AGETIP implementation reports every trimester based on the model in the annex of the procedure's manual (not included in this text)

(ix) Request payments according to the installments shown in the annex of the procedures manual (not included in this text)

(x) Receive monitoring and financial audit visits, and correct implementation and registration methods and procedures when necessary

(xi) Perform internal evaluations of the training

(xii) Participate in the lessons learned and information-sharing sessions organized by the PAPF

(xiii) Close the subproject according to procedures set forth by PCU and AGETIP

## Technical monitoring by the DAEB

The DAEB, in coordination with decentralized education agencies, ensures the technical monitoring of the subprojects. This monitoring concerns the learning and pedagogical aspects of the subprojects.

## Financial monitoring by AGETIP

AGETIP ensures that the subprojects are implemented as planned. To ensure this monitoring, AGETIP will recruit financial controllers who conduct on-site inspections to verify bookkeeping and check the learning material and equipment procured by the provider. The results of these controls will be recorded in the controller's register.

## Completion of the subproject

### 11th stage: Evaluation of the subproject

The DAEB ensures the external evaluation of all the subprojects during a period agreed by the PCU and the providers.

For the literacy aspects of the courses (reading, writing, calculus), international recognized methods of evaluation will be used; for the functional aspects, specifically elaborated evaluation methods will be used. The results of these evaluations will be published by the PCU.

### 12th stage: Closing of the subproject

After evaluation, the provider and AGETIP close the subproject. The provider submits a final report. AGETIP ensures that all controls are undertaken and establishes a closing document that is to be signed by both AGETIP and the provider.

Any funds that may be left on the provider's account will be used in conformity with decisions by the PCU in agreement with AGETIP. The use of any such funds will be indicated in the final report of the subproject.

## VI: Financial procedures

After signing the contract, the first payment is made in accordance with the contract between

AGETIP and the provider to the account that is opened specifically for the subproject. This first payment will be sufficient to cover the starting costs of the subproject.

The second payment will be made after the provider submits a report that includes: (a) an activity report for the first trimester using information from the monthly reports from the instructors and supervisors; (b) a financial report supported by receipts; and (c) a request for payment. This second payment is not contingent upon on-site verification of implementation but will be paid upon presentation of financial statements and receipts. The format for all requests and reports are annexed in the procedures manual (not included in this text).

The third payment is made after an on-site verification by the AGETIP controllers, to ensure that the use of the first installment of funds was made according to the implementation agreement.

The subventions given to the provider that cannot be accounted for will be subtracted from future installments. Likewise, if any irregularity is noted, the corresponding amounts will be subtracted from subsequent payments, without prejudice to possible legal recourse.

All installments will be made following the same procedures.

An auditor will verify the controllers' statements.

# The Gambia's Procedures Manual<sup>58</sup>

## Introduction

**G**overnment intervention in the literacy sector is based on the principle of partnership with the literacy providers in the field (NGOs and Community-Based Organizations) and on the integration of all efforts within the Government's action plan, which aims to:

- Substantially reduce illiteracy especially among the female population, notably in the 15-39 age bracket in order to ensure an immediate impact on the social, economic and education indicators;
- Reduce imbalances between regions and between urban and rural areas;
- Promote functional literacy and the development of alternative basic education through the medium of national languages in order to improve the effectiveness of literacy programs;
- Promote a literate environment in national languages in order to ensure the use, development and sustainability of acquired skills;
- Implement a partnership policy which relies on partners in the field (NGOs, Community Based Organizations) to

implement functional literacy programs; and

- Coordinate financial partners' interventions so as to gear efforts toward the same objectives and within the Government's sector plan.

## 2. Overall aim

To widen participation opportunities through strengthening civil society organization partnerships in developing sustainable literacy, numeracy, life skills and income-generating programs.

## 3. Project objectives

- Establish and test the outsourcing approach
- Enable providers, through outsourcing, to enroll 12,000 people in literacy courses
- Through outsourcing, enable providers to enroll 8,400 people in post-literacy activities, including income-generating activities (IGA) and facilitation of access to micro-credit programs

- Ensure sustainability through the development and production of literacy and post-literacy learning materials in collaboration with all stakeholders

#### 4. Strategies

In the context of a partnership approach with the aim of improving the effectiveness and sustainability of current literacy activities, the strategy proposed for coordination and collaboration between ANFEU and literacy providers includes:

- Use of an independent agency for contract-management and financial monitoring
- Establishment of financial and technical monitoring and evaluation systems
- Multisectoral coordination committees at both regional and national levels
- A procedures manual to determine eligibility criteria for literacy providers, and to ensure that literacy and assessment standards are met during delivery
- In collaboration with stakeholders, establish guidelines in the procedures manual

for all identified training needs, including instructor and supervisor training.

- Regional committees for the selection of literacy providers which include a member from each village targeted (Village Development Committee)
  - A program of capacity-building for national and regional ANFEU staff, as well as for the contract-management agency's and the providers' staff
- Use of providers for training of 12,000 people in literacy and 8,400 people in post-literacy and income-generating activities
- Through work with communities and civil society organizations, a program to generate newspaper articles, short stories, poems, novels, folklore and writing competitions and the development of a range of literacy and post-literacy resources that can be used to enhance the subprojects' sustainability

#### 5. Implementation strategies

Government intervention in the literacy sector is based on public-private sector partnership, with the role of partner defined as follows:

	<b>Policy role</b>	<b>Administrative role</b>	<b>Technical role</b>	<b>Quality Assurance</b>
<b>Adult and Non-formal Education Unit (ANFEU)/ Department of State for Education (DOSE)</b>	<ul style="list-style-type: none"> <li>- Establish policy guidelines</li> <li>- Standardize training procedures; integrate with formal education</li> </ul>	<ul style="list-style-type: none"> <li>- Coordinate with all stakeholders</li> <li>- Approve selection of providers</li> </ul>	<ul style="list-style-type: none"> <li>- Facilitate training of supervisors and instructors</li> <li>- Approve training</li> </ul>	<ul style="list-style-type: none"> <li>- Monitor and evaluate courses</li> <li>- Monitor and evaluate provider staff training</li> </ul>
<b>Regional Offices</b>	<ul style="list-style-type: none"> <li>- Contribute to policy formulation</li> <li>- Set up a technical selection committee (of providers)</li> </ul>	<ul style="list-style-type: none"> <li>- Select providers</li> <li>- Coordinate with all stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>- Facilitate training of supervisors and instructors</li> </ul>	<ul style="list-style-type: none"> <li>- Monitor and evaluate courses</li> </ul>
<b>National Committee for Literacy</b>	<ul style="list-style-type: none"> <li>- Approve draft policy of ANFEU</li> </ul>	<ul style="list-style-type: none"> <li>- Approve procedures manual (and annual revisions of PM)</li> </ul>		
<b>Communities/ Participants</b>	<ul style="list-style-type: none"> <li>- Represented in Regional Policy Workshops</li> </ul>	<ul style="list-style-type: none"> <li>- Select and establish contract with provider</li> <li>- With provider: select instructor</li> <li>- Set up management committee</li> <li>- Establish links with formal education</li> </ul>	<ul style="list-style-type: none"> <li>- Establish a context of learning (select language, schedule, skills...)</li> <li>- With provider: establish mechanisms for sustainability, such as IGA, access to credit, etc.</li> </ul>	<ul style="list-style-type: none"> <li>- Evaluate provider</li> <li>- Monitor progress</li> </ul>
<b>Providers' Association</b>	<ul style="list-style-type: none"> <li>- Represent providers' interest</li> </ul>	<ul style="list-style-type: none"> <li>- Coordinate providers; be an "information agent"</li> <li>- Involved in arbitration issues</li> </ul>	<ul style="list-style-type: none"> <li>- Identify additional training needs for providers</li> <li>- Advise on training</li> </ul>	<ul style="list-style-type: none"> <li>- Establish professional code of conduct for providers</li> </ul>
<b>Providers</b>		<ul style="list-style-type: none"> <li>- Coordination of subproject</li> <li>- Coordinate with other development actions</li> <li>- Monthly contact with village management committee</li> <li>-Data collection</li> </ul>	<ul style="list-style-type: none"> <li>- Ensure that training takes place</li> <li>- With villagers: select instructors</li> <li>- Recruit and train instructors (and other personnel as needed)</li> </ul>	<ul style="list-style-type: none"> <li>- Regular quality assurance</li> </ul>
<b>Contract-managing agent</b>		<ul style="list-style-type: none"> <li>- Establish contracts</li> <li>- Payment of contracts</li> <li>- Audits; Financial monitoring</li> </ul>	<ul style="list-style-type: none"> <li>- Train the providers' accountants</li> </ul>	<ul style="list-style-type: none"> <li>- Evaluation of outsourcing approach</li> </ul>

## The Role of Government

On the basis of policy directives, the government, through the Non-Formal Education Unit, will guide implementation, coordinate programs, monitor literacy activities and evaluate the sector's performance in terms of the objectives defined in the action plan.

During the first phase, in addition to the preparation of an annotated bibliography, the Adult and Non-Formal Education Unit will facilitate the training of literacy instructors and supervisors as well as conceive of and develop teaching/learning materials.

The government strategy for the sector is to help literacy providers expand their programs and to coordinate donors and other partners to work toward the same objectives and follow the same implementation strategies in order to avoid duplication of efforts. Partners include: ANFEU/DOSE, regional offices, National Literacy Committee, multisectoral working groups, provider associations, communities and providers.

## The Role of the Providers

Specific actions to be undertaken by each literacy provider include:

- Sensitize and mobilize public opinion in favor of literacy
- Identify and recruit instructors and supervisors in collaboration with the communities
- Make adult learners literate within 18 months through the establishment of 6 - 10 literacy centers of 30 participants each, 75% of whom should be women
- Follow up literacy training with post-literacy activities for those participants who have completed the literacy component or have equivalent training/abilities—at least 75% of the participants should be women

- Integrate literacy and post-literacy programs to promote functional skills and attitudes that can enable the learners to participate in good governance, appreciate environmental conservation, promote positive health practices and improve standards of living through income-generating activities
- Supervise literacy activities and properly manage the resources provided
- Monitor the total time for completion of literacy and post-literacy activities not exceeding three years from registration
- Follow monitoring and evaluation procedures
- Ensure the literacy and post-literacy activities are sustainable

Moreover, consideration will be given to those organizations that may assist and complement the subprojects. This may include extension workers (agriculture, health, environment, forestry, etc.), other government departments (health, social welfare, etc.), international institutions and non-government organizations.

## The Role of the Beneficiaries

The role of the beneficiaries includes the following:

- Will be present at regional policy workshops
- Will participate in the selection of providers and instructors
- Will set up a management committee
- Will establish a context of learning, including the selection of language, schedule of classes, IGA
- Together with provider, will establish mechanisms for sustainability, including post-literacy activities, IGA, etc.
- Will monitor provider and assist in regular evaluation of provider

## Subproject Selection and Provider Eligibility Criteria

The criteria for evaluating the eligibility of the provider are as follows:

- Providers must exist as a legal entity
- Providers must be office-based, have an address, a bank account (with 3 signatories) and a working telephone
- Providers can be NGOs (including international NGOs), associations (including religious associations), CBOs and national for-profit organizations
- Providers must have at least three years experience in development and training
- Providers must have core staff including a director, an accountant, an administrator and a literacy supervisor (CVs must be attached to the subproject proposal)
- With respect to pedagogy, the selection criteria for the subprojects are as follows:
- Operator must propose to use a recognized method of literacy training
- Program must contain at least 300 contract hours of literacy training over not more than an 18-month period, with a minimum of 30 beneficiaries per class
- Teaching/Learning materials must be acceptable, available on time, and of reasonable cost.

## Selection procedures and time frame (per year)

**Step 1.** Identify 100 target villages by regional offices in collaboration with multisectoral working groups and ANFEU. In each region 16 or 17 target villages are selected. These target villages are divided into two clusters based on criteria of geographic proximity. Each cluster contains between 6 and 10 villages. Regional education officers visit each target village to provide information about the project and to identify focal points for training. Deadline: December 1st

**Step 2.** Distribute procedures manual to interested parties. Request subproject proposals (advertised in national press) for each of the clusters. Deadline: January 1st

**Step 3.** Each provider prepares a subproject proposal and submits it at the regional level. Deadline: March 1st

**Step 4.** Each Regional Selection Committee selects two providers, i.e., each cluster of 6–10 villages will be covered by one subproject, which is implemented by one provider. Composition of selection committee: 1 representative from each village, 1 technical representative from ANFEU/BED, 1 regional officer from ANFEU/BED, 1 representative from the contract-managing agency, 1 technical representative from the multisectoral working group, and 2 representatives from the providers' association (no voting power). The selection is to be based on technical evaluation matrix spelled out in the annex (not included in this document). Deadline: April 2nd

**Step 5.** Approbation by ANFEU/DOSE and information to selected providers. Deadline: April 15th

**Step 6.** Issue of contracts by contract-managing agency. Deadline: May 1st

**Step 7.** Transfer of first installment of funds. Deadline: June 1st

**Step 8.** Implement subproject

## Financial aspects

The financial cycle will be divided into two parts: literacy and post-literacy activities. The unit cost per beneficiary for the literacy component is set at \$40 (US) for the year 2004 and 2005, and at \$20 (US) for the post-literacy component for years 2005 and 2006. The

implementation of the literacy component should be made in three phases. The implementation of the post-literacy component will be done in one single phase.

The providers will receive the first payment upon contracting which will represent 40% of the total subproject cost for literacy activities. A second payment of 30% of the total costs will be paid upon completion of phase 1. A third payment of 25% will be paid upon completion of phase 2. A fourth payment of 5% will be withheld until the end of the subproject's literacy activities, and released upon certification that at least 80% of the enrollees have successfully completed the program. If the success rate is lower than 80%, a fee corresponding to the unit cost (\$40 US) will be deducted for each unsuccessful participant below the 80% limit. If the success rate is lower than 70%, the post-literacy element of the subproject will be retendered, and the case

will be reported to the providers' association, which will consider appropriate actions to be taken (for recovery of funds or other action as needed). Each payment of funds will require at least an 80% success rate (of the initial enrollment rate) at the given phase of participation.

The providers' fee will be reviewed upon completion of the literacy component, to reflect enrollment in the post-literacy phase. The successful provider will, upon finalization of the literacy course and after positive community evaluation, receive 50% of the total subproject costs for post-literacy activities; 45% will be paid upon start up of post-literacy activities, and 5% withheld under the same conditions as above (i.e., the success rate for the post-literacy course should be at least 80% of the enrollees in post-literacy activities).

Example of payments for a literacy course with 300 participants:

**Costs for literacy activities: US \$40 x 300 participants = US \$12,000 - to be paid as follows:**

Payment	1st installment	2nd installment	3rd installment	4th installment
	US \$4,800	US \$3,600	US \$3,000	US \$600
Requirements	Contract set up	80% success in first phase	80% success in second phase (of initial enrollment)	80% success in third phase (of initial enrollment)

Example of payments for a post-literacy course with 300 participants:

**Cost for post-literacy activities: US \$20 x 300 participants = US \$6,000**

Payment	1st installment	2nd installment	3rd installment
	US \$3,000	US \$2,700	US \$300
Requirements	Contract set up	Activities have started	80% success (of 300 participants)

## 9. Subproject monitoring and evaluation procedures

The instruments required for monitoring and evaluation include:

### Provider's monitoring and evaluation:

- Registration documents for each center
- Attendance register for each center
- Supervisors' reports based on regular monitoring visits to each center

Providers should submit reports tied to the financial cycle; these reports should include bank statements. For literacy activities, three reports should be submitted accompanied by a request for release of funds. These reports should be submitted in three copies: one copy to BED/ANFEU at the central level, one for the district level and one for the contract-managing agency. For post-literacy activities, two reports should be submitted, accompanied by a request for release of funds.

### BED/ANFEU monitoring and evaluation:

- Integrated monitoring and evaluation (from BED)
- ANFEU spot checks

### Regional monitoring and evaluation

- Spot checks (at least one monitoring visit to each community)
- Initial visit to identify village
- Visit for final evaluation of subproject

### Community monitoring and evaluation

- Evaluate literacy course (required to give provider access to financing of post-literacy activities)

- Final evaluation of provider

### Contract-managing agency's monitoring and evaluation

- Financial monitoring—each center will be visited during implementation of literacy activities

## Closing of the subproject

The closing of the subproject will require a final evaluation and report by the provider, which will include a one-page report from each community. In addition, a final external technical evaluation and report (under the supervision of ANFEU) will be required. After technical evaluation, a financial audit will be undertaken by the contract-managing agency, upon which the project will be closed. Any unused funds will be recuperated by the contract-managing agency and reintegrated into the project budget.

## Refinancing

The provider is eligible for new subproject financing upon completion of the literacy component in an ongoing subproject. The provider cannot receive financing for more than two subprojects at any one time.

Any provider with success rates below 80% during subproject implementation is not eligible for new subproject financing before the end of the ongoing subproject (both literacy and post-literacy phases). Any provider with a success rate lower than 70% will not be eligible for refinancing at any time.

## Executive Summary

1. Currently, several new literacy projects in Senegal (of which the major ones are financed by IDA and CIDA) continue to finance literacy courses by using outsourcing.

2. In other contexts, private companies may choose to outsource parts of their operation to other companies, or public organizations may choose to outsource to other public organizations. Usually, outsourcing is used when another company has a comparative advantage for carrying out certain types of tasks, and it therefore would be more cost-effective to hire that company to perform these tasks. However, many other issues may enter into consideration, e.g., on a technical level, the possibility and cost of monitoring and evaluation; and on a political level, security and equity.

3. In this case, experienced providers would have a comparative advantage on new providers, and may therefore have monopolized access to funding.

4. 37,500 FCFA. The conversion rate used in this text is US \$1= 740 FCFA.

5. The procedures manual indicated that the literacy training should be at least 300 hours, skills training at least 150 hours, and the program “should not exceed 24 months” (*Manuel de Procedure*), 2000-2002).

6. For comparison, it is estimated that the unit annual cost to government of primary education in Senegal is approximately \$72.

7. Many PAF managers also anticipated that the providers’ association could be used to organize training of providers, and to define and monitor ethical guidelines for the sector. It is uncertain to which extent a provider association can be expected to perform such a role.

## Introduction

8. In some countries, a substantial population of illiterate and semi-literate adults will continue to exist in the longer term (Lauglo, 2001).

9. For considerations of whether or not to use a partnership approach in the first place, consult the Checklist for Partnership Projects in Annex 3.

10. *Programme d’Appui au Plan d’Actions.*

11. *Projet d’Alphabétisation Priorité Femme.*

12. *Projet Alphabétisation des Elus et Notables Locaux.*

13. Both public and private sectors invest in the project; also the local beneficiaries of the subprojects make a substantial investment in it. The beneficiaries bear the highest burden of risk. See also economic analysis in Section III.

14. Private firms also use outsourcing in many areas, particularly where it is more cost-effective to do so.

15. The project suffers from insufficiently streamlined data management. The DAEB has a different statistics system than that used by the management agency (AGETIP), which again differs from the one used by the project coordination unit. This leads to difficulties in estimating numbers of enrollees and dropouts.

16. These local development organizations usually strive to obtain status as NGO.

17. One reason why primary education has a more structured relationship between the local population and the administration is that formal education services have been implemented for a longer period, and have established a more structured connection between the administration and the communities. For

less well established services, such as non-formal education, a structure similar to parent associations does not exist. Private providers under such conditions may function as a bridge between administration and communities.

18. In a market-based outsourcing system with reliable feedback, participatory approach-based subproject formulation and implementation, and proper control mechanisms, any NGOs which come in with a ready-made and contentious agenda should have a difficult time obtaining financing.

19. These results do not control for competencies prior to enrollment—e.g., whether the learners had had some schooling previously.

20. Based on DAEB's assessment of all the enrollees (not including dropouts) at the end of PAF-financed course in 1997 and 2000.

## Section I

21. The PAF procedures manual has undergone several revisions based both on changes in government policies, and on improvements in project administration. It has become an international reference. Several other countries (e.g., Burkina Faso, Côte d'Ivoire and Guinea), adopting slightly different procedures, have used similarly structured manuals.

22. The selection process has been increasingly decentralized. Currently, the subproject proposals are checked for accuracy at the prefecture level. The selection takes place regionally and is subject to verification and acceptance centrally by an approval committee. The process described in this section pertains to the system before it became fully decentralized.

23. The procedures manual for 2000-2002 required each subproject to target at least 600 participants, which corresponds to 20 classes.

24. This on-site inspection was not always undertaken. See Section II.4 about arrangements for monitoring and evaluation.

25. The selection process has been increasingly decentralized, i.e., the regional level has obtained a more decisive role in the pre-selection phase. Other outsourcing programs in Senegal have preferred a simpler decision structure, and eliminated step 4a. Most other countries that have adopted the outsourcing method have also opted for a simpler selection process, eliminating this step.

26. Recent administrative changes led to a modified approval cycle in Senegal for the 2003/04 school year. Most subprogram providers (PAF, PAPA, Lutte contre Pauvrete, etc.) were selected in January–March 2003 for a program start in March–April 2003.

27. The integrated approach has subprojects that are active during the whole year. The cycle described is therefore not fully pertinent to this program.

28. The PCU was originally set up as an independent bureau, but is now being integrated into the DAEB.

29. Source: Various interviews with AGETIP personnel and with former civil servants.

30. Such impact evaluation is currently under way—but results are not yet available. The evaluation will assess literacy achievements, as well as changes in community behavior, e.g., in health and hygiene, and HIV/AIDS awareness, as a result of literacy activities. To prevent possible placebo effects, the evaluation occurs as a “normal” classroom activity.

31. Two-headed arrows signify interaction; one-headed arrows denote one-way supervision/control.

32. Source: Author's interviews with project managers (PCU and AGETIP).

33. As noted above, local monitoring should ideally be done by local government instances to establish trust between the different stakeholders. However, if the government cannot successfully ensure such monitoring and evaluation, it may be necessary to outsource these tasks to a local organization.

## Section II

34. More traditionally delivered projects also have a large variation in implementation, since the quality of teachers and local officials to back them up varies from place to place. However, in outsourcing, variation can be seen both at the individual level and at the provider level. Data gathered so far from the current longitudinal study indicate that the quality of the provider organization matters more than the quality of individuals, for a quality provider will strive to recruit quality personnel and/or provide training for inexperienced staff. In “problem” cases, a “good” provider will typically find a solution; a “bad” provider may choose to end the course.

35. PAPA had a unit cost of 22,500 FCFA, whereas the unit cost of PAPF was 37,500. PAPA has currently reduced its unit costs to 15,500 FCFA for a shorter and more intensive course, which is more similar to the government’s intensive literacy courses, PAIS (also based on outsourcing). Neither the new PAPA courses nor the PAIS have been evaluated.

## Section III

36. The lack of impact results makes it difficult to undertake any cost-effectiveness comparison. The PAPA unit cost was set at 22,500 FCFA (and is currently reduced to 15,500 FCFA), as opposed to a 65% greater unit cost for the PAPF (37,500 FCFA). The literacy performance of learners is higher for PAPF enrollees at the end of the course than for PAPA; 75.2 % can fluently read a text, compared to 68.2% for the PAPA; and 85% of PAPF learners have a theoretical mastery of technical themes at the end of the course, compared to 67.3% for PAPA learners (2000/01 academic year; DAEB, 2002). The unit cost of the intensive literacy program of the government, PAIS, is 6,500 FCFA (for a 3-month course), but is reported to have minor results (no success results are given in government reports).

37. This is the case for the PAPF, where 33% of the providers are local small-scale organizations, 43% are local CBOs, and only 18% are NGOs (of which many are small-scale Senegalese organizations), and 6% are religious associations and other types of providers. Source: Camara & Sow, 2001.

38. Typically, mobilization of volunteers is easier through government incentive schemes. It is more difficult—albeit probably not impossible to base the cost of outsourcing programs on the use of volunteer (i.e., non-paid) instructors.

39. 740 FCFA = US \$1. The cost rates are relevant to the procedures manual 2000-2002. The conversion of US \$ to Euro was unstable during spring 2003; FCFA is linked to Euro, and has therefore been considerably strengthened recently. During most of the implementation period, the unit cost of a subproject was quite stable at \$50 (or, at the time, approximately 56 Euro); currently with the weak US dollar, it is at \$66 (as of June 17, 2003). Since the cost statistics from other fields, e.g., primary school, are based on 2001 and 2002 US \$ levels, we have maintained the “strong” dollar conversion levels in this text, and used a conversion rate of 740 FCFA = \$1.

40. This is a model of subproject budgeting made by the PCU. The providers make their own budget, based on different (or similar) allocation of funds: the only requirement is that the final amount does not exceed the base unit cost multiplied by the number of enrolled beneficiaries.

41. The unit costs of many other projects, such as the PAPA, are lower, since these projects focus more on literacy and do not include as much learning material and training costs on basic skills issues as does the PAPF.

42. It can be argued that this cost is close to zero, because course time will fit around productive activity or vice versa. Evidence from field visits and evaluations indicate, however, that one main reason for dropout was that the opportunity cost of the course proved too high:

the dropouts needed to concentrate their time on daily subsistence earnings to survive. The overall dropout rate, however, was low, and indicates that the opportunity cost in most cases was not a major obstacle to participation—or that people were willing to pay the opportunity costs because the benefits were reasonable.

43. Including subsistence farming.

44. If the numbers relate to the pre-1994 devaluation of FCFA, the Net Present Value (NPV) is US \$38–72.

45. These data are based on very rough estimates of what a rural woman may earn if she works 10–15 hrs. per day for a month. Since the course is implemented in non-core working hours, it has been roughly assumed that the possible earnings would be 50% of the total earnings potential for core working hours. The figures only purport to give a very general idea of what the scale might be for foregone opportunities for the beneficiaries.

46. Also we lack information about the number of people who had some preliminary literacy skills when they enrolled. Some studies emphasize that semi-literate people actually benefit more from literacy education than illiterate people do. The learning pace for semi-literate people is quicker than that of illiterate people, and the former also draw more information from basic skills classes. It might be argued that it makes little sense to invest in inefficient primary education, and then to “upgrade” adult neo-literates by providing literacy training; and further that it would be a better policy choice to invest more in primary education so as to make the subsequent literacy courses superfluous. The debate on national languages complicates the matter: if a person is literate in French, is that person still eligible for a literacy course in a national language, since he or she is illiterate in this language? In the case of PAF, the response has been to prioritize people with no, or very little, formal school background, and yet to also accept some who were semi-literate and literate (in

French). The different definitions of *literate* make it very difficult to estimate in real numbers the impact of the PAF on illiteracy in the country.

47. *Public costs* is used to describe the cost incurred by the government in program implementation, and private costs for the cost incurred by the beneficiaries.

48. Using the estimates in the government report 2001, where the dropout rate is estimated at 15%.

49. Camara and Sow, in their study on costs of education in Senegal, used the percentage of 50% satisfactory outcome in the PAF.

50. 2001 numbers, based on WB statistics (from EFA database, 2003).

51. Average unit costs are for 1997/1998.

## General Conclusions and Recommendations

52. The World Development Report 2004 suggests that in some cases it is better to bypass the government, at least temporarily: “Countries where the state is failing (often countries in conflict) need service delivery arrangements different from those where the state is fairly strong [...] In Senegal—a stable democracy—the reforms in education, including those that strengthen client-provider links, would go through the Government (to strengthen the policymaker-provider link as well). In the Democratic Republic of Congo—where conflict has significantly weakened the state—ways should be found to empower communities to improve education services—even if it means bypassing government ministries in the short to medium term” (WDR, 2004, p. 15).

## Annex 2

53. The Progress in International Literacy Study (PIRLS) investigated reading achievement at the fourth grade level in 35 countries. In most countries, a majority of the children were literate by the fourth grade. A notable

exception was Morocco, the only African country participating in the study. The results from Senegal, having a lower per-capita income than Morocco, and a less efficient school system (and encountering the same language problems as Morocco), are likely to have even lower literacy scores at fourth grade than Morocco, where only 23% of the fourth graders achieved the lower-quarter PIRLS benchmark. (i.e., the international average was 75%).

#### **Annex 4**

54. Edited translation by Bjorn Harald Nordtveit.

55. A local substitute instructor who has been specifically trained for continuing literacy activities after the provider finishes its implementation.

56. The Canadian-funded PAPA project (also based on outsourcing) funded a *resource center* for literacy activities, which provides different types of support for the literacy sector as a whole.

57. Due to last-minute financial adjustments and other issues, some of the providers may not obtain financing for all 20 classes.

58. Draft. January 2004.

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