Document of
The World Bank

Report No: 21766 ET

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED CREDIT

IN THE AMOUNT OF SDR 3.9 MILLION
(US$ 4.9 MILLION EQUIVALENT)

TO THE

GOVERNMENT OF ETHIOPIA

FOR A

DISTANCE LEARNING LIL PROJECT

April 4, 2001

Operational Quality & Knowledge Unit
Africa Region

CURRENCY EQUIVALENTS
(Exchange Rate Effective December 1, 2000)

Currency Unit	=	Birr
ETBirr	=	US$0.12
US$1	=	ETBirr 8.3

FISCAL YEAR
July 1-June 30

ABBREVIATIONS AND ACRONYMS

LIL	Learning and Innovation Loan
CSC	Civil Service College
IDE	Institute of Distance Education
GDLN	Global Distance Learning Network
NGO	Non-governmental Organization
WBI	World Bank Institute
CAS	Country Assistance Strategy
SOE	Statement of Expenditures
TTL	Task Team Leader
SA	Special Account
IDA	International Development Association
UNDP	United Nations Development Program
VSAT	Very Small Aperture Terminal
DL	Distance Learning

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Team Leader	Nicholas Bennett

ETHIOPIA
Distance Learning LIL Project

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ETHIOPIA
Distance Learning LIL Project

Project Appraisal Document

Africa Regional Office
AFMET

Date: April 4, 2001 **Country Manager/Director:** Oey Astra Meesook **Project ID:** P069083 **Lending Instrument:** LIL	**Team Leader:** Nicholas Bennett **Sector Manager/Director:** John Roome **Sector:** Other Education **Theme(s):** Distance Learning **Poverty** **Targeted** No [X] Yes [ ] **Intervention:**

Program Financing Data

	Indicative Financing Plan				Estimated Implementation Period (Bank FY)		Borrower
	IDA **US$ m**	**%**	**Others** **US $ m**	**Total** **US $ m**	**Commitment** **Date**	**Closing** **Date**	
Credit	4.9	69%	2.2	7.1	2002	2004	Government of Ethiopia

Project Financing Data
[ ]   Loan   [x]   Credit   [ ]   Grant   [ ]   Guarantee   [ ]   Other [Specify]
For Loans/Credits/Others:
Amount (US$m): US$ 4.9 million

Proposed terms: [ ] To be defined	[X] [ ]	Multicurrency Standard Variable	[ ] [ ]	Single currency Fixed [ ] LIBOR- based

Grace period (years):   10
Years to maturity: 40
Commitment fee: 0.5%
Service charge: 0.75%
Front-end fee on Bank loan:

Financing plan:

Source	Local	Foreign	Total
Government	1.4	0.8	2.2
IDA	0.5	4.4	4.9
Total:	**1.9**	**5.2**	**7.1**

Borrower: Government of Ethiopia

Responsible agency(ies): Civil Service College

Estimated disbursements (Bank FY/US$M): US$4.9 million

FY	FY2002	FY2003	FY2004
Annual	1.6	2.1	1.3
Cumulative	1.6	3.7	4.9

Project implementation period: FY2002 to FY2004
Expected effectiveness date: June 1, 2001   **Expected closing date:** June 30, 2004
Implementing agency: Civil Service College
Contact person: Dr. Haile Michael Aberra
Address: P.O. Box 5648 Addis Ababa, Ethiopia
Tel: (251-1) 60-17-63   **Fax:** (251-1) 60-17-64   **E-mail:** Hailem@exciet.com

A. Project Development Objective

1. Project Development Objective

As a Learning and Innovation Credit (LIL), the prime objective of this project is to test the comparative learning outcomes, the comparative demand, the comparative costs and cost effectiveness, and the sustainability of several different distance learning approaches being implemented by the Institute of Distance Education (IDE) in the Civil Service College (CSC). The findings of these comparative analyses will be disseminated widely, both inside and outside the country. A secondary objective is to develop the capacity of the IDE at the CSC to manage; a) the Global Distance Learning Network (GDLN) link, both at the federal, and at five regional centers; b) the development and use of appropriate printed distance learning materials; and c) the establishment of regional and sub regional distance learning outreach centers.

2. Key Performance Indicators

Performance indicators will be monitored during implementation along with periodic evaluation and will include the following:

- Demand for the different types and topics of distance learning (DL) courses in Addis and the regions;

- Percentage of available time that the central and regional GDLN interactive video facilities are actually used (available time is Monday through Friday from 9 a.m. to 9 p.m.);

- Percentage of GDLN central and regional link costs met from other revenue sources such as a) renting video link services to other government agencies, the private sector and donors; b) selling internet access to the general public especially at regional centers; c) subscriptions from private individuals participating in internet based courses; d) revenues from computer literacy training; and e) donor funding of specific courses;

- Learning achievement by course, delivery mode, and tutoring support;

- Learner satisfaction by course, delivery mode, and tutoring support;

- Time to completion by course, delivery mode, and tutoring support; and

- Cost effectiveness of learner achievement by delivery mode.

B. Strategic Context

1. Sector Related Country Assistance Strategy (CAS) goal supported by the project

CAS Report No. 17009-ET & Interim Support Strategy Report No. IDA\R2000-198
Date of latest discussion: August 19, 1997 (CAS); December 5, 2000 (ISS)

In the existing (1997) CAS, the proposed strategy aims to reduce poverty both directly and by promoting sustained economic growth notably by creating an environment conducive to rapid private sector and export development. This is to be achieved through four clusters of activities, the first of which deals with policy and capacity; and the fourth with policy and human development. One of two main aims of this first cluster is to have "improvements in capacity for implementing

projects and policies". The proposed operation directly contributes to the achievement of this first cluster through massive distance learning programs directed at civil service, NGO, and private sector personnel; and also contributes to the fourth cluster, human development.

Interim Support Strategy for the Federal Democratic Republic of Ethiopia Report No 21189 ET. November 9 2000

A new CAS was being prepared early in 1999, but preparation and discussion had to be delayed as the conflict with Eritrea flared up in February of that year. Only when a cease fire was agreed in June 2000 did work recommence at which time it was decided to prepare an Interim Support Strategy, which was discussed and approved by the Board in November 2000. In this strategy, capacity issues occupy center stage, as both Government and the Bank have agreed that without concerted efforts to improve capacity at all levels Government's ambitious development objectives will not be achieved. In this Interim Strategy this project is specifically mentioned.

2. Main Sector Issues and Government Strategy

With the change in Government in 1991, and the consequent opening up of the administration and the private sector that followed, combined with the decentralization of real authority to nine regional states and two city administrations in 1994, human capacity in the public sector has been stretched beyond its limits. Of the 300,000 federal and regional civil servants 83% do not even have a post secondary diploma. By far the largest number of civil servants are employed by the regions.

In September 1998 a high level Capacity Development Committee was established, chaired by the Prime Minister, and made up with a number of key ministers. In December 1998 the committee issued its first draft capacity building strategy document, in which the Civil Service College occupied a central role. Six sub-committees were then established which reported to a national capacity building seminar in early June 1999, again chaired by the Prime Minister. The key role of the CSC was discussed, and it was agreed that the existing five year plan of the college would need to be re-examined, taking account of the overall civil service reform program. At that time there was no discussion of distance learning options.

Concurrently in 1998 the CSC held a "Visioning Conference" with the college stakeholders, which forged agreement on a more up-to-date and precise mission statement for the College. This statement was formally considered and adopted by a joint meeting of the Board of the College and key staff on January 16, 2000. It emphasized the key role the College will play in using appropriate distance education media, and in running appropriate programs to strengthen the capacity of Ethiopia's civil service, both at the federal and regional levels through:

- Training and producing competent civil servants;
- Giving special assistance to civil services in the newly emerging regional states;
- Contributing to the strengthening of public and private partnerships; and
- Conducting research and providing consultancy services in key areas of civil service development.

3. Learning and Development Issues to be Addressed by the Project:

As the modern world becomes increasingly complex with new knowledge and new technology becoming more and more essential, there is a danger that Ethiopia will be left behind. Access to this new knowledge and technology is limited by poor internet services from the Ethiopian Telecommunication Corporation as the only provider, and is costly (up to $25 an hour for those in

the regions), and thus those who use the internet are so thinly spread that it is difficult for Ethiopians to remain connected to this modern world. This is why it is being proposed to upgrade and strengthen the Global Distance Learning Network, internet and virtual learning facilities in the CSC in Addis, and to extend these to five regional centers where there is the highest concentration of civil servants. These links will only be used for education and training purposes.

The ravages of decades of war, combined with the strains on the existing stock of skilled manpower resulting from the 1994 creation of regional states, has meant that no sector of the economy has adequate numbers of qualified and trained manpower. In addition, no sector is sufficiently in touch with relevant up-to-date global developments. It is as much the private and the NGO sectors that need knowledge of the latest ideas, as the public sector, and thus many of the offerings from the upgraded and extended GDLN will be open to all and actively marketed. More serious is the fact that the vast proportion of the manpower who need to have their knowledge upgraded, and could benefit from links with the outside world, are employed by regional states and currently are not computer literate and do not have any access to the internet.

In each of the regions there are tens of thousands of recently recruited public servants, who have had no basic training that is related to their jobs. A detailed needs assessment was carried out by IDE staff in October 2000, in four regions, and from this it was clear that the highest priority for such training was in accountancy, closely followed by management, with many thousands of civil servants needing training in each. The only way to reach such cadres is through correspondence or electronic distance learning systems. These correspondence courses will be based on printed materials supplemented with audio and videocassettes, and with twice monthly face to face tutorial sessions. These courses will be supported by live lectures from CSC staff in Addis Ababa directly beamed at the regional centers where appropriate. In parallel with the printed media courses IDE will select and subscribe to appropriate web based courses, and will develop one or its own.

Given the need to test some potentially high cost programs, combined with the constrained budgetary situation in Ethiopia, it will be necessary for the project to provide the CSC with some support to cover the initial recurrent costs (on a declining basis,78% in the first year,59% in the second, and 35% in the third) for both the GDLN and the printed media DL, over an initial three-year period.

C. Project Description Summary
1. Project components

Component	Sector	Indicative Costs (US$M)	% of Total	Bank-financing (US$M)	% of Bank-financing
1. GDLN Facilities Upgrading & Extension	Other Educ.	1.0	15%	0.8	11%
2. Satellite Rental, Maint., & Other Oper. Costs for GDLN Centers	Other Educ.	1.4	19%	0.8	11%
3. Dev. Of Printed Media Distance Learning	Other Educ.	1.3	18%	0.9	12%
4. Training	Other Educ.	0.8	11%	0.0	0%
5. Capacity Development & TA	Other Educ.	2.6	37%	2.4	34%
Total		7.1	100%	4.9	69%

A range of different Distance Learning approaches is being developed by the IDE to enable it to reach its huge potential audience of civil servants needing training in Addis Ababa and in seven regional centers; including:

Component 1. GDLN Facilities Upgrading and Extension:

- upgrading the existing GDLN videoconferencing and internet link at the CSC to the highest international standards, and to use both for international training, and for beaming local courses to regional centers;

- establishing modified GDLN links with five regional centers, (Bahir Dar, Makelle, Nazareth, Awassa, and Dire Dawa) beaming programs developed at the IDE, and also drawn from the international GDLN, to these centers. The centers can be considered as extension arms of the IDE/GDLN, offering regional students the same programs as those in the CSC, by July 2002. These regional centers will be established in existing tertiary level institutions, and the rooms provided will only need wiring, computer networking, and security modifications. They will be equipped with computers (on which learners will view the video programs), and audio visual equipment for participant use;

Component 2. Satellite Rental, Maintenance, and Other Operational Costs for GDLN Centers:

- satellite rental, facility maintenance, and other related operational cost activities resulting from the central GDLN from March 2001. 22% of these costs to be generated from learners (directly or via sponsorship) in 2001/2, 41% in 2002/3, and 65% in 2003/4;

Component 3. Development of Printed Media Distance Learning:

- developing printed distance learning materials, eventually in three disciplines, and launching courses in these (June 2002 diploma in accounting and diploma in management, and January 2004 diploma in a third subject) to be administered through trained tutors at 7 selected regional sites, with each enrolled learner taking three years to complete;

Component 4. Training:

- running large scale computer literacy, and remedial English courses for civil servants at the regional centers on a full cost basis, designed to bring them into the computer age, and prepare them to benefit from the internet;

- enrolling at least 1300 learners in the print based distance learning in 2002, 2600 in 2003, and 4700 in 2004. Participants and their employers will be expected to pay two thirds of the total running costs of their courses. On the basis of current estimates the participant share is expected to be ETB 800 per year. On the basis of information collected during the needs assessment, ETB 600 could be paid by the employer per year;

Component 5. Capacity Development and TA:

- Establishing two other regional centers without the GDLN satellite link (Jinga, and Addis Ababa), equipped with computers and audio visual equipment;

- providing technical assistance and training in effective use of interactive video and internet, the development and use of print based correspondence courses, the development and use of internet courses, and training in procurement and financial management.

In addition constant monitoring and reporting on all activities, combined with a detailed evaluation (Annex 11) at the mid point, and the end of the project will be an integral part of the project.

2. *Benefits and Target Population*

The target population includes all civil servants, private sector and NGO employees in the Addis Ababa area, and all middle level public and some private sector staff employed in seven regional state and municipal headquarters. Through appropriate training, and video and internet contact with knowledge centers throughout the world it is expected that their productivity will be enhanced.

3. *Institutional and Implementation Arrangements*

The CSC is a semi-autonomous training institution established in 1995 by proclamation from the Council of Ministers (Regulation No 3/1996: Annex 12). Under this proclamation CSC was established as a higher level institution falling directly under the Prime Minister, created to train civil servants both at the federal and the regional state levels. What programs are launched by the college is decided by a Board, made up largely of Government Ministers and leading public servants. The project, and its three inter-linking components has been considered and endorsed by the board.

IDE is an integral part of the CSC. It will be responsible for all distance education activities including the GDLN center, the printed media distance education, and the video and internet links with regional centers. Currently it is constrained with what it can do, not only because it is dependent on normal government administrative procedures, but also because of shortages of full time professional staff. Regional staff can be recruited as their salaries will be funded through regional incomes. The organization and staffing of IDE is outlined in Annex 11, and its relationships with the regional centers in Annex 12.

Draft legislation has been prepared to provide the college with academic, administrative, and financial autonomy. This legislation is along the lines being proposed for universities.

The needs assessment, which was carried out in October 2000, was designed to find out what were the priority learning needs as expressed by learners and their employers, what they would be prepared to pay, how much time they could spend a week in following the courses, where the regional centers could be established, from where the necessary tutors could be drawn, and how much they would expect to be paid.

The IDE is developing skills in marketing its Distance Learning programs, and already has a demand for more programs and training slots than can currently be offered. It will need to spend more time on analyzing the demand for different subjects that can be taught through distance education, respond to this demand and insist on increasingly wide use of the new technologies by the distance learners.

4. *Financial Management*

The project accounting system will be an integral part of the Financial Management System of the College and will provide timely and reliable information to monitor the project's implementation towards its agreed objectives. The College will be responsible for all expenditure accounting,

including all financial transactions of the project, and the preparation of disbursement request. A project finance officer will be designated to exclusively handle project accounting functions under the supervision of the Head of the Finance Division. Supporting documentation for all expenditures will be kept for at least one year after the audit report is submitted to the Bank. A manual system of double entry accounting would be used by the project at least for the LIL period and would move to a computerized accounting system in the next phase of the project.

To this effect, the College will prepare a simple financial management manual before any disbursement is made from the proceeds of the credit (Annex 4). As there will be seven regional centers, and the centers would generate revenue from fees, and effect payments for tutors' honorarium and operating costs, the manual should clearly describe the flow of funds from the centers to the College, and how payments could be made for costs incurred at the regional centers.

5. Procurement

The Administration and Finance department of CSC will manage all procurement activities and the Procurement and Property Administration Division that is under the Department shall be responsible for the processing of contracts from preparation of bid documents until award of contract and completion of services as per the contract. In order to enhance the capacity of the Department, a procurement officer with adequate qualification will be employed in the division prior to effectiveness. The Procurement officer should have a minimum of 1st degree and at least 2 to 3 years of experience in procurement. An additional Logistics officer to handle all activities related to transport, installation of Goods will be assigned to the division at the time the Goods start to arrive at the Center for the use of the center and the regional centers (Annex 6).

Procurement will be carried out by the Civil Service College on the following:

- preparation of annual work plans and procurement plans;

- development of Terms of Reference (TOR), short-lists, and Requests for Proposals (RFP) for consulting assignments, preparation of bidding documents, including technical specifications for goods contracts; advertising contracts (where appropriate); and evaluating bids and proposals; preparing no objection letters for onward transmittal to the Bank for approval;

- setting up a good procurement filing system, and maintaining procurement documentation; and

- preparation of plans for annual training programs that set out the objective of the training, areas of training, and the number of trainees, cost estimate, timing and venue (e.g. local or overseas) for each training activity.

D. Project Rationale

1. Project Alternatives Considered and Reasons for Rejection

Initially it was planned to go ahead with only upgrading the GDLN site in the CSC in Addis. However, as a central part of the mandate of the CSC is to serve the development of the civil services in the Regional States, especially those in emerging regions, any system that only helps train people in Addis Ababa misses the large proportion of civil servants most needing training. If there had not already been considerable sunk capital in the GDLN it would have been difficult to

justify the costs of the network link, given the difficulty, in the Ethiopian context, to charge sufficiently high user fees to cover satellite rental and other operational costs. Government then looked at the economics of extending the GDLN and web based training to the regions, in order to make the whole program cost effective.

Two-way video conferencing systems (which allow interactivity) currently cost more than three times as much as unidirectional systems to establish, and require well trained technicians to maintain. It is thus not cost effective or feasible to establish and operate such sophisticated systems in regional centers. A unidirectional video link (with multidirectional voice and internet connections) is a much more cost effective option, and is also simpler to maintain. This was the choice that was finally made for the regional connections.

Finally, only by expanding the use of the regional centers to also cover print based distance learning leading towards recognized diplomas, could a fully justified range of services be implemented.

2. Major Related Projects Financed by the Bank and other Development Agencies (Completed or ongoing)

RELATED PROJECTS	IP RATING	DONOR/AGENCY
Education Sector Development Program	U	IDA
Seventh IDA Education Project (closed)	U	IDA
Basic Education Project, involving retraining 20,000 teachers through radio, printed media and tutor based distance methods		USAID
Equipping radio and TV production studios at the Education Media Agency in the Ministry of Education, and radio production studios at 7 Regional Education Bureau for distance education programs directed at school teachers and students		JICA
Open University support for management training activities in Management Training Institutes in the regional states		UNDP/British Council
Civil Service Reform Program (including support for the Civil Service College)		UNDP

IP Rating: HS (Highly Satisfactory); S (Satisfactory); U (Unsatisfactory): HU (Highly Unsatisfactory)

3. Lessons Learned and Reflected in Proposed Project Design

All of the distance learning projects funded by the World Bank are at their early stage of implementation and it is, therefore, not possible to reflect in the design of this project appropriate lessons learned from these operations. However, in order to carry out implementation activities more efficiently, the project design has been kept simple, with IDE and the regional centers having significant autonomy, and flexibility in administrative and financial management arrangements. Nevertheless, it should also be noted that given resource constraints it will never be possible to have either the personnel or the recurrent budget necessary for effective implementation for any high cost and high tech project provided from Government budgets alone, and thus high levels participant cost sharing will be expected from those benefiting in all the programs, with any excess capacity marketed to the private and NGO sector. UNDP has been supporting the regular face-to-face programs at CSC almost since its inception five years ago, and still its support is needed. Six other

donors have either been supporting particular regular instruction, or helping finance advanced studies for CSC teaching staff.

4. Indications of Borrower Commitment and Ownership

A joint meeting of the Board and the management team in the CSC formally approved the three major components of this project in April 2000. In addition, the CSC has allocated space on the ground floor of the main building for the GDLN facilities, and one entire floor in the teaching block for IDE staff offices and meeting rooms. The college has also agreed to use a part of their limited budget to finance all regular staff salaries, both at the center and core staff in the regions, and some other operational costs needed for distance learning activities. The CSC had no reduction in its operation budget in FY 2000, despite the constrained fiscal position due to the conflict with Eritrea, and an increase of only 8.8% in 2001. Currently its recurrent budget is running at about ETB 12 million p.a.

5. Value Added of Bank Support in this Project

The Bank is very much in the forefront of the multi donor efforts to establish a Global Distance Learning Network, with Ethiopia as one of the first group of 10 countries in the network. It is also actively helping the Government in programs to improve the administrative and management capacity of federal and regional governments, and developing partnerships between the public and the private sector. It has, in addition, considerable experience in financing print media based distance learning programs throughout the world. ISG has specially developed for Government the best technical solutions for extending at least the key GDLN services to five regions. In addition the Bank will be able to help obtain a VSAT operating license for the GDLN site in the CSC Addis, and for the five regional centers.

E. Summary Project Analysis

1. Economic

The comparative costs of the various forms of distance learning proposed compared with the costs of alternative delivery modes will be evaluated during implementation.

2. Financial

As far as the GDLN is concerned, the high costs of the satellite link and of the equipment maintenance, and the relatively low levels of utilization mean that fees of the order of $US100 per student videoconference hour will eventually need to be charged to reach a break even point. This means between $400 and $800 for participation in a normal short course. This is very much higher than the local capacity to pay. Currently the maximum level that can be charged seems to be of the order of $150 per course. In the initial period the operational costs resulting from the project will be supported from the Credit on a declining scale (78%, 59%, and 35% in Year 1, 2, &3 respectively). In the longer run, with aggressive marketing of available services, especially internet courses for private individuals, about half the running costs of GDLN will be able to be met directly. Training funds from donor agencies (i.e. "scholarships") will thus have to be obtained for the GDLN component to be sustainable. The operational costs at the regional centers will be substantially lower than those at the center, and with there being little competition for internet services in the regions, it should be possible to market the excess capacity to private internet users for 50 Birr an hour, generating about three quarters of the operation costs. For the print media distance learning, by year 3, with a fee of 800 Birr p.a. ($100), two thirds of the operational costs (excluding start-up

costs) will be met by the learner and his/her employer. The remaining expenditures will be supported through the regular budget from the CSC. During the initial years the tutor costs of the printed media programs will be financed through the project on the same declining basis as with the GDLN.

In total it is estimated that approximately $2.1 million will be generated from users during the life of the project, or 56% of total operation costs ($0.8 million from public sector users and $1.3 million from private sector users).

3. *Technical*

The basic equipment for the Ethiopian GDLN center is already in place, has been used, has now been well protected against power surges and failures and is working well. It merely needs to be upgraded. The technology for a modified GDLN link at the regional centers has been designed jointly by ISG and a satellite vendor, has been specially developed for the Ethiopian situation, and if successful will be a model that can be copied elsewhere. The regional centers will receive their programs through the GDLN hub in Washington, (and later from other hubs too), in the same way as the Addis GDLN center, and will connect with the Addis center through this hub. The British Open University has been advising the CSC on the start up of the print media based distance learning, and might be recruited (possibly on a sole source basis) to advise during execution. Other high level technical assistance on the most appropriate use of the new technology will also be sought.

4. *Institutional*

Though the CSC has professional staff who are qualified to evaluate the use made by the graduates of the skills they gain from CSC courses, up until recently there has been no systematic evaluation. However CSC has launched an impact evaluation of the first phase of the UNDP support for the College, which has provided staff with appropriate evaluation experience. Under this LIL there will need to be continuous data collection and analyses on all the different courses offered, and their costs. In addition at the mid-point of the project (around October 2002), and towards the end (around May 2004) there will be more detailed evaluations, involving external consultants.

Project Management. The management structure of the CSC has recently been strengthened with the addition of two Vice Presidents, one for academic affairs, and the other for administration. In addition ten staff have been employed in the IDE, six of them heading the different units. They have had considerable experience in working with several donors, both bilateral and multilateral, but with procurement and finance managed by the donors themselves. Only with the UNDP project have they had a dedicated accountant, and have recently taken over procurement and project management responsibility. Neither does the CSC have any experience in establishing or managing outreach or regional centers, but has worked with regional governments and institutions.

Procurement Issues. Though the IDE will be the implementation organization responsible for the overall management of this LIL, as much as possible existing administrative structures in CSC will be used. Procurement will thus be carried out by the Administration and Finance department of the college. The Procurement and Property Administration Division that is under that Department will be responsible for the processing of contracts from preparation of bid documents until award of contract, and completion of services as per the contract. Its staff currently have no knowledge or experience of World Bank procurement procedures. They will thus participate in Africa wide training in World Bank procurement processes. They will also need training in contract management, and logistics. If necessary, local consultants will be hired to enhance the implementation capacity.

Financial Management Issues. The issue of the lack of financial autonomy for the CSC, and within the CSC for the IDE, will be difficult to resolve until the Charter is approved. The Board of the CSC approved in its January 2001 meeting that all revenues earned by IDE will not go into the general revenue part of CSC, but will be kept for financing IDE expenditure. However, fees earned will still only be used to offset approved government budgetary allocations, and any unused fees will have to be returned to the Ministry of Finance (MOF) at the end of any fiscal year. This will complicate the decentralized operations at the regional centers, which will be almost entirely financed through the fee incomes earned at these centers. As an interim arrangement, CSC has already requested MOF that fee income earned should be retained from one year to the next even if 100% of the fees collected are offset against their regular budgets. IDA will be advised by the CSC as soon as a resolution is reached on this issue.

5. Environmental

There are no environmental risks of any kind that can be identified. There is no new construction, but only some rehabilitation/rewiring of existing buildings both in the center and in the regions. This is a training project.

6. Social

This project is not designed to target the poor, nor females, nor those from any particular ethnic group, but only those who are already in Federal and Regional Civil Service employment, and those from the private sector who can afford to pay.

7. Safeguard Policies

SAFEGUARD POLICY	RISK OF NON-COMPLIANCE
Environmental Assessment (OD 4.01)	NA
Natural Habitats (OP/BP/GP 4.04)	NA
Forestry (OP 4.36)	NA
Pest Management (OP 4.09)	NA
Cultural Property (OPN 11.03)	NA
Indigenous Peoples (OD 4.20)	NA
Involuntary Resettlements (OP 4.30)	NA
Safety of Dams (OP 4.37)	NA
Projects on International Waterways (OP 7.50)	NA
Projects in Disputed Areas (OP 7.60)	NA

8. Business Policies

BUSINESS POLICY	APPLICABLE
Financing of recurrent costs (OMS 10.02)	YES
Cost sharing above country three-year average (OP/GP/BP 12.10)	NO
Retroactive financing above normal limits (OP/GB/BP 12.10)	NO
Financial Management (OP/B 10.02)	YES
Involvement of NGOs (GP 14.70)	NO
Other	NO

F. Sustainability and Risks

1. Sustainability: N/A

2. Critical Risks

RISK	RISK RATING	RISK MINIMIZATION MEASURES
From Outputs to Objective Participants in interactive GDLN video programs will gain knowledge and skills which will enable them to enhance their work efficiency.	M	Involve users in the selection of programs.
Participants in the long print media Distance Learning courses will gain knowledge and skills which will enable them to enhance their job efficiency	M	Involve employers in the design of the programs
Participants in the long print media courses will complete their course	M	Make the language level in programs relatively simple. Limit the quantity of printed materials. Make tutorial sessions interesting.
Electronic Distance Learning approaches are cost effective in the Ethiopian situation	S	Ensure that all proposed participants complete a computer literacy course and have easy access to the internet.
Program evaluation will take place regularly, and notice will be taken of the evaluation findings in future planning activities	M	There will be supervision missions which will emphasize the importance constant monitoring and evaluation
From Components to Outputs There will be a sufficient number of appropriate GDLN video programs available to Ethiopia for there to be efficient use of the facilities.	S	It is expected that WBI will arrange for program content from other providers to be beamed through the link.
The programs being offered by GDLN are relevant to the needs of the potential learners.	S	Potential users involved in selection of programs
There will be sufficient demand for the print media distance learning programs from those already employed at the regional level, at the fee being proposed.	M	Salary increments are dependent on formal qualifications of civil servants.
There will be sufficient demand from those from the regional governments for participation in Web Based courses	S	Easy internet access, and bulk subscriptions to key courses to lower costs.
Overall Risk Rating	M	

Risk Rating – H(High Risk), S (Substantial Risk), M (Modest Risk), N (Negligible or Low Risk)

3. Possible Controversial Aspects

Currently the GDLN site at the CSC is operating without the formal approval of the Ethiopian Telecommunications Agency. The Ethiopian Telecommunications Agency (ETA) will need to approve this site, and the five additional sites, at least for education and training purposes, as is allowed according to the Council of Ministers Regulation no 47/1999. The law mandates the ETA to

respond within 90 days to requests to establish private internet links. It should be emphasized that these VSAT links will only be used for education and training purposed.

G. Main Credit Conditions

Effectiveness

1. Project Account and has deposited therein the initial deposit;
2. PIM and the PIP adopted, both in form and substance acceptable to IDA; and
3. Appointment of a procurement officer with qualifications and experience acceptable to IDA.

H. Readiness for Implementation

	1. (a) The civil engineering design documents for the first year's activities are complete and ready for the start of project implementation.
X	1. (b) Not applicable.

X	2. The procurement documents for the first year's activities are complete and ready for the start of project implementation.
X	3. The Project Implementation Plan has been appraised and found to be realistic and of satisfactory quality.
	4. The following items are lacking and are discussed under loan conditions (Section G):

I. Compliance with Bank Policies

X	1. This project complies with all applicable Bank policies.
	2. The following exceptions to Bank policies are recommended for approval. The project complies with all other applicable Bank policies.

Nicholas Bennett
Team Leader

John Roome
Sector Director

Oey Astra Meesook
Country Director

Annex 1:
Project Design Summary
ETHIOPIA: Distance Learning LIL Project

Hierarchy of Objectives	Key Performance Indicators	Monitoring and Evaluation	Critical Assumptions
Project Development Objective: Project will help improve national capacity to implement projects and programs	Number of employed people trained by discipline and media	Government high level Capacity Development Committee Reports	That increased training, and opening to outside influences will enhance capacity
Outputs: Enhance the efficiency of the public and private sectors staff; Develop the capacity of the IDE in the CSC to manage Distance Education; Test comparative effectiveness of alternative DL approaches.	800 trained in diploma programs in each of accountancy and management; Learning achievements of those trained equivalent to those in the full time programs; Demand for places more than actual places in each distance course; Dropout rates less than 10% p.a; More than 80% of those under training have full sets of curriculum materials on time; DL unit costs of different programs lower than those of full time programs.	Special monitoring and evaluation studies and reports, both by CSC staff and independent evaluators will be commissioned at the mid point of the project, and at the end of the project, to determine which aspects will be extended in future.	For critical risks, see Section F.2
Project Components/Sub-components: GDLN Facilities Upgrading & Extension; Satellite Rental, Maintenance, & Other Operating Costs for GDLN;	**Inputs: (budget for each component):** US$1.0 million US$1.4 million	**Project reports:** Evaluation reports comparing the total per-student recurrent costs, and the proportion met by students for different types of training.	**(from Components to Outputs)** The centers provide the services expected.

Hierarchy of Objectives	Key Performance Indicators	Monitoring and Evaluation	Critical Assumptions
Development of Printed Media Distance Learning ;	US$1.3 million	Visits to the seven regional centers.	
Training;	US $0.8 million		
Capacity Dev. & TA	US $2.6 million		

Annex 2:

Detailed Project Description
ETHIOPIA: Distance Learning LIL Project

The main target audience of the Civil Service College are the 300,000 Federal and Regional civil servants, especially the 83% who do not even have a diploma, and those working in the regions.

Project Activities

A range of different Distance Learning approaches is being developed by the IDE to enable it to reach its huge potential audience of civil servants needing training in Addis Ababa and in seven regional centers; including:

1. GDLN Facilities Upgrading and Extension (US$1.0 million):

- upgrading the existing GDLN videoconferencing and internet link at the CSC to the highest international standards, and to use both for international training, and for beaming local courses to regional centers;

- establishing modified GDLN links with five regional centers, (Bahir Dar, Makelle, Nazareth, Awassa, and Dire Dawa) beaming programs developed at the IDE, and also drawn from the international GDLN, to these centers. The centers can be considered as extension arms of the IDE/GDLN, offering regional students the same programs as those in the CSC, by July 2002. These regional centers will be established in existing tertiary level institutions, and the rooms provided will only need wiring, computer networking, and security modifications. They will be equipped with computers (on which learners will view the video programs), and audio visual equipment for participant use;

2. Satellite Rental, Maintenance, and Other Operational Costs for GDLN Centers (US$1.3 million):

- satellite rental, facility maintenance, and other related operational cost activities resulting from the central GDLN from March 2001. 22% of these costs to be generated from learners in 2001/2, 41% in 2002/3, and 65% in 2003/4 ;

3. Development of Printed Media Distance Learning (US$1.3 million):

- developing printed distance learning materials, eventually in three disciplines, and launching courses in these (June 2002 diploma in accounting and diploma in management, and January 2004 diploma in a third subject) to be administered through trained tutors at 7 selected regional sites, with each enrolled learner taking three years to complete;

4. Training (US$0.8 million):

- running large scale computer literacy, and remedial English courses for civil servants at the regional centers on a full cost basis, designed to bring them into the computer age, and prepare them to benefit from the internet;

- enrolling at least 1300 learners in the print based distance learning in 2002, 2600 in 2003, and 4700 in 2004. Participants and their employers will be expected to pay two thirds of the total running costs of their courses. On the basis of current estimates the participant share is expected to be ETB 800 per year. On the basis of information collected during the needs assessment, ETB 600 could be paid by the employer per year ;

5. Capacity Development and TA (US$2.6 million):

- Establishing two other regional centers without the GDLN satellite link (Jinga, and Addis Ababa), equipped with computers and audio visual equipment;

- providing technical assistance and training in effective use of interactive video and internet, the development and use of pent based correspondence courses, the development and use of internet courses, and training in procurement and financial management.

In the design of the print based correspondence programs there has been great attention devoted to designing a program that is both feasible for the majority of potential learners who have limited time, and even more limited fluency in the English language, and to keep the costs at an affordable level. Thus the length of the standard course has been fixed at three years, the pages of core texts substantially lower than in comparative programs, and the tutor learner ratio at 30:1.

Both printed media correspondence courses, and the use of modern ICT are expensive, and could impose an unbearable burden on the limited budgets of the CSC. There will thus be significant user charges for all participants or their employers. In the longer run, with aggressive marketing of available services, especially internet courses for private individuals, about half the running costs of GDLN will be able to be met. The operational costs at the regional centers will be substantially lower than those at the center, and with there being little competition for internet services in the regions, it should be possible to market the excess capacity to private internet users for 50 Birr an hour, generating about three quarters of the operation costs . For the print media distance learning, by year 3, with a fee of 800 Birr p.a. ($100), two thirds of the operational costs (excluding start-up costs) will be met by the learner and his employer. The remaining expenditures will be supported through the regular budget from the CSC. During the initial years the tutor costs of the printed media programs will be financed through the project on the same declining basis as with the GDLN.

In total it is estimated that approximately $2,094,000 will be generated from users during the life of the project, or 56% of total operation costs ($829,000 from public sector users and $1,265,000 from private sector users)

GDLN Technical Details

The following table summarizes the technical specifications of the existing GDLN facilities at the CSC, the proposed specifications of the upgraded facilities, and the proposed specifications of each of the five regional centers.

GDLN Facility	Antenna	Video In	Video Out	Data In	Data Out	Voice
Existing	3.8 M	128/256 kbps		56/56 kbps		16 kbps
Upgraded	3.8 M	256/256 kbps		512/64 kbps		2*16 kbps
Regional	3.8 M	256 kbps (in only)		256/64 kbps		2 Lines

The upgraded GDLN facilities will allow clear video images on a large screen, multiple voice channels, and up to 40 internet users at any one time. Each regional center will have clear video images on the PC, but no video interactivity, two voice channels, and up to 20 internet users at any one time. If the need arises in future, the regional facilities can be upgraded into full GDLN centers.

Project Evaluation

As a Learning and Innovation Loan (LIL) summative evaluation is of central importance. A local institution or firm will be hired to carry out this evaluation in two stages. First, after two years of implementation and secondly at the end of the project. The major issues that will be looked at will include, for each major subject area being taught, the following:

- Learning achievement by course, delivery mode, and tutoring support;
- Learner satisfaction by course, delivery mode, and tutoring support;
- Time to completion by course, delivery mode, and tutoring support;
- Cost effectiveness of learner achievement by delivery mode.

In addition to this summative evaluation which will be used to determine the future direction of distance and virtual learning activities, CSC/IDE will also carry out various formative studies (starting with a pilot testing of all materials developed) to help it improve the effectiveness of learning during implementation.

Role of the Regional Centers and Their Relationship with CSC

The operation of the regional centers is relatively complicated. On average, by the end of the project, each regional center will have around 700 learners and 130 tutors in the printed media programs, and perhaps an equivalent number in computer literacy and miscellaneous internet-based courses. The centers will have to collect fees from all the regular users, and pay all the tutors etc. They will also select candidates for the courses; distribute materials; arrange for classrooms for tutorial sessions, organize examinations, and keep records of all students. In addition they will need to provide assistance and maintain equipment. On top of all this regional centers with video and internet facilities will need to market and sell substantial underutilized time to the private sector and to individuals, operate the facilities 12 hours a day, seven days a week, and collect and deposit the fees. A review of the staffing requirements of the regional centers is needed as soon as possible, to determine the real staffing requirements. In addition the financial control systems will be elaborated. Finally guidelines for the operation of the regional centers will be finalized as soon as possible, and discussed with the Bank and other stakeholders before any regional centers are formally operational .

Capacity Development of CSC/IDE Through Technical Assistance

It is extremely important that the capacity of the CSC/IDE is enhanced to enable it to design and manage the various forms of distance learning being tested, so when a decision is made, at the end of this LIL, as to the most appropriate media to be used, it will be ready to move ahead in the chosen media. It is also important that the distance facilities already available at the CSC/IDE (internet and video conference) be used to provide much of the TA needed, thus obviating the need to pay for travel and per diem of experts.

For the print media course development and implementation, an institutional contract will be given to an organization experienced in the provision of printed based correspondences. This organization

will be responsible for the training of the CSC/IDE staff in the design and running of printed media DL courses, the training and initial supervision of course material developers, the design and initial running of tutor training, the choice of appropriate pedagogic strategies, strategic planning, and learner assessment

For the internet-based course development, training to a significant number of CSC/IDE staff should be given through the internet. In addition, an internet-based technical assistance service will be recruited to provide advice and assistance in the design, organization and management of internet-based courses by the CSC. Finally advice will be sought on the most appropriate internet-based courses that could be used by Federal and Regional civil servants in upgrading their knowledge and skills.

One of the problems with the interactive VC facilities that will be upgraded through this project is that they are currently not used frequently. The same will apply to the new facilities being established at the regional centers. It is intended to recruit a short-term consultant on the cutting edge of this technology to advise on some of the most appropriate program providers, and to negotiate appropriate terms for using these courses on behalf of the CSC/IDE.

Project Administrative Arrangements

The project will be implemented mainly through existing CSC structures. There will be no project management or implementation unit. Responsibility will be divided between the IDE (for academic implementation and marketing of services); and the Administration and Finance Department (for procurement, budget, finance, disbursement, and auditing aspects of the project).

The IDE will need to expand its staff substantially so that it can work on the development of internet and IT courses, and market the spare IT capacity it has available both at the center and in the regions. The Administration and Finance Department will need to recruit a procurement specialist, and a liaison officer, and to provide training for the procurement specialist and his assistant, and orientation for the accounts staff in Bank accounting and disbursement requirements. The procurement specialist will have to be recruited as soon as possible so that procurement of essential equipment can start. Other training will be given to administrative staff as necessary for effective implementation

The draft Project Implementation Manual explains some of the procedures that will need to be followed. This manual needs further elaboration. It is important to note that standard procurement contracts for the upgrading of existing GDLN facilities, and the establishment and installation of regional center equipment will be used, and thus no bidding will be necessary. Similarly standard maintenance contracts for the GDLN will be used.

Annex 3:

Estimated Project Costs
ETHIOPIA: Distance Learning LIL Project
(US$ million)

Project Components	Local	Foreign	Total
1. GDLN Facilities Upgrading & Extension	0.2	0.8	1.0
2. Satellite Rental, Maint., & Other Oper. Costs for GDLN Centers	-	1.3	1.3
3. Dev. Of Printed Media Distance Learning	0.6	0.6	1.2
4. Training	0.7	-	0.7
5. Capacity Development & TA	0.3	2.1	2.4
Total Baseline Cost	1.8	4.8	6.6
Physical & Price Contingency	0.1	0.4	0.5
Total Project Cost	**1.9**	**5.2**	**7.1**

Disbursement Categories	Local	Foreign	Total
Goods	0.1	1.1	1.2
Works	0.1	0.2	0.3
Services	0.7	2.6	3.3
Training	0.2	-	0.2
Operating Costs	0.8	1.3	2.1
Total Project Costs	**1.9**	**5.2**	**7.1**

Annex 4

ETHIOPIA: Distance Learning LIL Project
Economic Justification Summary

NOT APPLICABLE

Annex 5
Financial Summary
ETHIOPIA: Distance Learning LIL Project

	FY 2002	FY 2003	FY 2004
Project Costs (US$ million)			
Investment Costs	1.3	2.1	1.5
Recurrent Costs	0.8	0.8	0.5
Total	**2.1**	**3.0**	**2.0**
Financing Sources (% of Total)			
IDA	62%	72%	74%
Benefiaries/Government	38%	28%	26%
Total	**100%**	**100%**	**100%**

Annex 5a

Financial Management Assessment
ETHIOPIA: Distance Learning LIL Project

FINANCIAL MANAGEMENT SYSTEM

Existing Financial Management System of the College

The implementing agency of the project is the Ethiopian Civil Services College (CSC) through the Institute of Distance Learning (IDE). The College, like other ministries and commissions, obtains the large part of its annual budget from the Federal Government of Ethiopia, Ministry of Finance (MOF). The remaining part of the annual budget is from its own sources and donors. In fiscal year 1999/2000, 65% of the total annual budget was from MOF, 24% from own sources and 11% from UNDP. A cash basis of accounting is used by the College. The receipts of cash and withdrawals are recorded in standardized journals issued by MOF. The CSC follows the financial regulations of MOF. No annual accounts are prepared by the College. The Ministry of Finance is responsible for the compilation of annual accounts.

Currently, the College is administering a UNDP Fund amounting to US$3.2 million. The College regularly reports to UNDP on a standardized format in a very simplified way. Annual accounts of the project have been audited by external auditors appointed by UNDP.

The Finance Division is under the Finance and Administration Department , and has two sections, Accounts and Budget. The Finance Division comprises 9 staff, one BA holder, 6 diploma holders from Commercial Colleges and 2 with vocational training. The practical experience for most of them is on a cash basis of accounting, based on the MOF standard formats.

Internal Control

The College has an Internal Audit Division consisting of two staff, 1 BA and 1 diploma holder. The division usually conducts pre and post audit activities. There is a strong push from the MOF to engage the internal auditors in the post audit activities. The MOF inspectors review the financial transactions of the College on a regular basis and the Federal Auditor General also conducts annual audits as and when they feel necessary.

LACI Capability

The capacity of the college to handle LACI/FMI procedures as outlined in the LACI handbook is limited as discussed above. Thus, the College is not ready for PMR based disbursements based on the LACI guidelines of the Bank. Disbursements will begin using the traditional disbursement procedures, which is currently in place in the Bank, and will continue up to approximately 18 months after effectiveness. Under the existing disbursement procedures, payments from the proceeds of the credit would be made by direct payments, special commitments and SOE procedures. Detailed guidance could be obtained from the Disbursement Handbook issued by the Bank and training would be given at the project launch workshop and other training to be held in Africa. The following steps should be undertaken before the College is able to meet PMR based disbursements:

Appointment of a Project Finance Officer ....Underway/Before effectiveness
(To deal with all donor funds)

Development of a financial management manual ....Before Disbursement starts

Evaluation of the College's capacity by the Bank
staff to determine compliance with
 the LACI guidelines...12 months after effectiveness

Preparation of draft PMR for initial review ....15 months after effectiveness

Production of PMRs...21 months after effectiveness

Provided these steps are taken, it is expected that the College might be LACI capable 18 months from the date of effectiveness.

Accounting, Financial reporting and Auditing:

Accounting:

The project accounting system will be an integral part of the Financial Management System of the College and will provide timely and reliable information to monitor the project's implementation towards its agreed objectives and also give early warning of problems in project implementation. The College will be responsible for all expenditure accounting, including all financial transactions of the project. A project finance officer will be designated to exclusively handle project accounting functions under the supervision of the Head of the Finance Division. A manual system of double entry accounting would be used by the project at least for the LIL period and would move to a computerized accounting system in the next phase of the project. To this effect, the College would prepare a simple financial management manual before any disbursement is made from the proceeds of the credit. The manual will, among other things, include flow of funds, formats to be used, chart of accounts, formats of annual financial statements, procedures in managing bank accounts, accounting policies and procedures, documentation and others. As there would be seven regional centers for distance learning purposes, and the centers would generate revenue from fees, and effect payments for tutors' honorarium and operating costs, the manual should clearly describe the flow of funds from the centers to the College, and how payments could be made for costs incurred at the regional centers.

The college has prepared a Project Implementation Manual to be used as a guide by the implementers of the project. The manual needs some revision in the areas of the financial management sections.

Financial Reporting:

Under the existing disbursement procedures

The college will prepare quarterly and annual financial reports to be submitted to IDA for its review. The annual financial reports will include the following:
  -Balance sheet
  -Income and Expenditures Statement
  -Special Account movement
  -Statements of Expenditures

Specific guidelines could be obtained from the Financial Accounting, Reporting and Auditing Handbook issued by the Bank.

Under PMR based disbursement procedures of LACI

- Sources and uses of Funds
- Balance Sheet
- Uses of Funds by Project Activity - Showing the expenditure as per project activities agreed with the Bank
- Cash withdrawal (Disbursement) - Showing summary withdrawals
- Special Account Statement - Showing reconciliation of IDA Project funds
- Cash Forecast - Showing cash requirements in next 2 quarters

Specific guidelines could be obtained from the LACI Handbook issued by the Bank.

Auditing:

According to the Bank's policy, the required financial statements including the Special Account and SOEs for each year should be audited in accordance with standards on auditing that are acceptable to the Bank. An audit of such financial statements includes:

- An assessment of the adequacy of accounting and internal control systems to monitor expenditures and other financial transactions and ensure safe custody of project-financed assets;

- A determination as to whether the CSC have maintained adequate documentation on all relevant transactions; and

- Verification of expenditures submitted to the Bank, which are eligible for financing, and identification of any ineligible expenditures.

The audited financial statements should be submitted to the Bank six months after the close of each fiscal year. The auditors are also required to issue a management letter (long form report), which contains weaknesses observed in the accounting and internal control systems, and accounting records and their recommendations for improvements.

The college will ensure that an independent auditor acceptable to the Bank is appointed in sufficient time to carry out its responsibilities.

Annex 6
Procurement & Disbursement
ETHIOPIA: Distance Learning LIL Project

The Administration and Finance department of CSC will manage all procurement activities and the Procurement and Property Administration Division that is under the Department will be responsible for the processing of contracts from preparation of bid documents until award of contract and completion of services as per the contract.

Capacity Development

In order to enhance the capacity of the Department a procurement officer with adequate qualification will be employed in the division prior to the date of credit effectiveness. The Procurement officer should have a minimum of 1st degree and at least 2 to 3 years experience in procurement. An additional Logistics officer to handle all activities related to transport, installation of Goods will be assigned to the division at the time the Goods start to arrive at the CSC for the use of the center and the regional centers.

Procurement Records Management and Procurement Register

The Project will maintain an efficient procurement record management system. Documents regarding individual procurement contracts will be kept in separate files and shall include all documents pertaining to the procurement process. The files will include Bid documents.

RFPs, Solicitation letters/ Invitation for Bid, Tender announcements, evaluation Reports, Contact agreements, Bank No Objection Letters, Inspection Reports, Goods Receipt Vouchers, Completion Reports and other relevant document in one location.

The Division will maintain a register of procurement activities carried out by method of procurement both in hard copy and electronic format. These would include Name of Contract, Description, Quantity, Contract Value in currency of contract and USD, No Objection Date/s, Contract Award Date and Contract Completion date. The Register will be updated on a regular basis and checked to insure that thresholds and aggregate limits are not exceeded.

Tender Committee

A tender committee in which the procurement officer is a member will be established and will be responsible for the opening and evaluation of tenders. The committee shall have a minimum of 4 members. A technical committee will be formed for each tender under evaluation on ad-hoc basis. At least two members of the committee should have adequate technical knowledge and qualification regarding the specific type of procurement package and should be able to conduct a thorough technical evaluation.

Training

Staff involved in the procurement process should, as early as possible, participate in procurement training conducted at the regional level (ESAMI or GIMPA). Project funds are available to finance this training. The other staff of the department should participate in appropriate national training to insure that they have adequate capacity to handle their individual duties and responsibilities. Training need shall be identified after reviewing the current capacity and qualification of each of the staff.

Procurement Plan

A preliminary general procurement plan identifying the methods of procurement and thresholds was presented at negotiations. Prior to inviting tenders for each fiscal year a detailed procurement plan will be furnished to the association for its review and approval. The procurement plan for the first project year will be presented to the association satisfactory in form and substance prior to the beginning of the 2001/02 fiscal year.

Procurement of Goods and Equipment

Goods will be procured through Internal Competitive Bidding and to the extent practicable, contracts for goods shall be grouped in bid packages estimated to cost $100,000 equivalent or more each. For the procurement of Global Distance Learning Link equipment, the World Bank will provide the detailed specifications of this equipment, and assistance in evaluating the offers in order to ensure consistency with other GDLN sites.

Goods estimated to cost less than $50,000 equivalent per contract, up to an aggregate amount not to exceed $400,000 equivalent works estimated to cost less than $20,000 equivalent per contract, up to an aggregate amount not to exceed $100,000 equivalent may be procured through National Competitive Bidding procedures.

Printing services may also be procured through national Competitive Bidding procedures.

Goods, including books, estimated to cost less than $30,000 equivalent per contract, up to an aggregate amount not to exceed $200,000 equivalent, may be procured under contracts awarded on the basis of international or national shopping procedures.

Civil works estimated to cost less than $20,000 equivalent per contract, up to an aggregate amount not to exceed $100,000 equivalent and furniture, may be procured under contracts awarded on the basis of national shopping procedures.

Books which must be purchased from the original publisher, and equipment and spare parts which need to be compatible with existing equipment of a proprietary nature, subject to IDA's prior approval, may be procured through Direct Contracting.

Procurement through UN Agencies

Vehicles, computers and office equipment estimated to cost $70,000 equivalent or less per contract up to an aggregate amount not to exceed $100,000 equivalent, may be procured from the Inter-Agency Procurement Services Office (IAPSO) of the United Nations Development Program (UNDP).

Procurement of Works

Civil Works to modify Regional Distance Learning Centers not exceeding USD 20,000 up to an aggregate amount not exceeding USD 100,000 may be procured using National Shopping. Contracts for Civil works above USD 20,000 up to an aggregate amount not exceeding UD 100,000 may be procured using National Competitive Procedures.

Consultants' Services

Quality- and Cost-based Selection

Consultant's services shall be procured by using Quality and Cost Based Selection (QCBS) Method except as otherwise provided in the following paragraphs. The short list of consultants for services such as Preparation of Evaluation reports and technical documents estimated to cost less than US$50,000 equivalent per contract, may entirely consist of national consultants in accordance with the provisions of paragraph 2.7 of the Consultants Guidelines.

Other Procedures for the Selection of Consultants

Least-cost Selection. Services for audits estimated to cost less than US$ 50,000 equivalent per contract may be procured under contracts awarded using least-cost selection method in accordance with the provisions of paragraphs 3.1 and 3.6 of the Consultant Guidelines.

Selection Based on Consultants' Qualifications: Services for technical assistance under the Capacity Development Component of the Project estimated to cost less than $50,000 equivalent per contract may be procured using procedures under contracts awarded through "Selection Based on Consultants' Qualifications" method

Single Source Selection. Services which are estimated to cost less than $200,000 equivalent per contract or more in exceptional circumstances, may, with IDA's prior agreement, be procured on Single Source Selection methods.

Individual Consultants. Services for tasks that meet the requirements set forth in paragraph 5.1 of the Consultant Guidelines may be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.1 through 5.3 of the Consultant Guidelines.

Review by the Bank

Prior Review

Prior to commencing any procurement activity for Goods, Works and Services the proposed procurement plan shall be presented to the Bank for its review and approval. The proposed plan for the selection of consultants shall be reviewed in accordance with the provisions of paragraph 1 of Appendix 1 to the Consultant Guidelines.

The first two procurement packages for goods, works or services irrespective of their value will be reviewed by the IDA in accordance with the Banks Prior Review Procedures.

Goods and Works

IDA's prior review procedures would apply to all purchases for which the contract value is equivalent or in excess of US$50,000 for goods and works.

With respect to each contract for goods to be procured through direct contracting and estimated to cost the equivalent of $20,000 or more, the following procedures will be followed:

- Prior to the execution of any contract under shopping procedures, IDA will be provided a report on the comparison and evaluation of quotations received;

- Prior to the execution of any contract procured under direct contracting procedures, IDA will be provided a copy of the specifications and the draft contract; and

- The procedures set forth in paragraphs 2(f), 2(g) and 3 of Appendix 1 to the Guidelines shall apply.

Consultant Services

The Bank shall review the Terms of Reference for all Consultancy services. Contracts for services above USD 50,000 for firms and USD 20,000 for Individuals require the prior no objection by the Bank.

Post Review

With respect to each contract not subject to prior review post review shall be conducted in accordance with the procedures set forth in paragraph 4 of Appendix 1 to the Guidelines.

Table A1: Project Costs by Procurement Arrangements
(US$ Million)

Expenditure Category	ICB	NCB	Others	Total (incl. Contingencies)
Civil Works	-	0.1	0.1	0.2
	-	(0.1)	(0.1)	(0.2)
Goods, Equipment & Vehicles	1.6	0.4	0.1	2.1
	(1.5)	(0.4)	(0.1)	(2.0)
Consultant Services	-	-	1.7	1.7
	-	-	(1.6)	(1.6)
Training	-	-	0.1	0.1
	-	-	(0.1)	(0.1)
Operating Costs	-	-	3.0	3.0
	-	-	(1.0)	(1.0)
Total Project Cost	**1.6**	**0.6**	**4.9**	**7.1**
of which IDA Funded by IDA	**(1.5)**	**(0.5)**	**(2.9)**	**(4.9)**

Table A2: Consultants Selection Arrangements
(US$ Million)

Consultant Services Expenditure Category	Selection Method		Total
	QCBS	IC/LC/Others	
A. Firms	1.3	-	1.3
	(1.3)	-	(1.3)
B. Individuals	-	0.4	0.4
	-	(0.4)	(0.4)
Total	1.3	0.4	1.7
Of which Funded by IDA	(1.3)	(0.4)	(1.7)

QCBS   =   Quality – and Cost-Based Selection
LC   =   Least Cost Section
IC   =   Individual Consultants
Others =   Selection of individual consultants (per Section V of Consultants' Guidelines),
            Commercial Practices, Educational Institutions, etc.

Table B: Thresholds for Procurement Methods and Prior Review
(US$ Million)

Expenditure Category	Contract Value (Threshold)	Procurement Method	Contracts Subject to Prior Review
Any Category. First two packages.			Prior Review
1. Goods	> US$50,000	ICB	Prior review
	Less than US$50,000	NCB	Post review
	Less than US$30,000	NIS	Post review
Printing Services	All	NCB	Post review
2. Civil Works	Less than US$100,000	NCB	Post review
	Less than US$ 20,000.00	NS	
3. Services			
Firms:	> US$ 50,000	QCBS	Prior review
	Below US$ 50,000	QCBS/LC/Other	Post Review
Individuals:	>US$50,000	IC	Prior review
	Less than US$50,000	IC	Post review

Overall Procurement Risk Assessment:

High	
Average	X
Low	

Risk Mitigation Measures

In order to enhance the procurement capacity of the Administration and Finance Department, a procurement officer with adequate qualification will be employed in the division. The Procurement officer should have a minimum of 1st degree and at least 2 to 3 years experience in procurement. He will be recruited prior to effectiveness

Staff involved in the procurement process should, as early as possible, participate in procurement training (financed with project funds) conducted at the regional level (ESAMI or GIMPA). Training need shall be identified after reviewing the current capacity and qualification of each of the staff.

Prior to inviting tenders for each year a detailed procurement plan will be furnished to the association for its review and approval.

Frequency of procurement supervision missions proposed: Once every 3 months during the first year of implementation and once every six months thereafter (includes special procurement supervision for post-review/audits).

Disbursement

Allocation of credit proceeds (Table C)

It is estimated that the project would be implemented over a three and a half year period starting on April 1, 2001 and the closing of the project is set for July 30 2004. At this stage, the project is not ready for disbursement according to Project Management Reports (PMR) as discussed in the Bank's Loan Administrative Change Initiative handbook (LACI). Therefore, disbursement would be made against standard IDA documentation using traditional disbursement procedures as outlined in the Bank's disbursement handbook, at least during the first 18 months of implementation. For the remaining period of the project, disbursement might be based on quarterly PMR after the assessment of the financial management systems of the College by the Bank.

Table A below sets out categories of expenditures to be financed by the Bank, allocation of the amounts to each category and the percentage of expenditures to be financed by the Bank for each category:

Table C: Allocation of Credit Proceeds

Expenditure Category	Amount	Financing Percentage
	US$ million	
1. Goods, Equipment & Vehicles	1.8	100%
2. Civil Works	0.2	100% of foreign and 80% local
3. Consultant Services & Training	1.5	100% of Foreign & 80% Local
4. Operating Costs GDLN Centers	0.7	78% until July 7, 2002; 59% from July 8, 2002 to July7, 2003; and 35% thereafter.
Operating Costs printed DL	0.3	78% until July 7, 2002; 59% from July 8, 2002 to July 7, 2003; and 35% thereafter.
5. Unallocated	0.4	
TOTAL	4.9	

Use of Statements of Expenditures (SOEs):

Disbursements would be fully documented except for contracts below the equivalent of US$20,000 for individual consultants and technical assistance and US$50,000 for civil works, goods and consulting firms. For such contracts, the borrower would be allowed to submit withdrawal applications based on Statement of Expenditures (SOEs). All supporting documents for such applications would be retained by the College and made readily available for review by periodic IDA supervision missions and external auditors. All expenditures related to contracts above the equivalent of US20,000 for individual consultants and technical assistance and US$50,000 for civil works, goods and consulting firms would be fully documented, and would not be able to be paid from SOEs.

Special Account (SA):

To facilitate payment of expenditures by the project, Special Account in US dollars would be established in the National Bank of Ethiopia or in a commercial bank acceptable to IDA. The Authorized Allocation to the Special Account is US$500,000. IDA would make initial estimated deposit of US$250,000 from the Credit immediately after effectiveness until the aggregate amount of withdrawals from the Credit Account plus the total amount of all outstanding special commitments entered into by IDA pursuant to Section 5.02 of the General Conditions shall be equal to or exceed the equivalent of SDR 800,000.

Flow of funds:

The Bank's share of eligible expenditures would be paid from the Special Account, except for expenditures greater than 10% of the outstanding Special Account advance, which could be made directly by IDA.

Project Accounts/Counterpart Fund Accounts

A project accounts would be opened at the National Bank of Ethiopia or at a commercial bank under terms and conditions satisfactory to IDA. The project account would be used for deposits and withdrawals related to fees collected by the College, and with government contributions. It has been agreed during appraisal that Birr 1.5 million would be deposited in the project account for the first year of implementation, and subsequent deposits would be made on the basis of fee incomes and annual project budgets. It has also been agreed that the College will design a simple, but efficient system of fund flow for revenue generated internally by regional centers.

The College would ensure that disbursements are effected in accordance with Bank procedures and would have financial monitoring responsibility.

Annex 7:

Project Processing and Budget Schedule
ETHIOPIA: Distance Learning LIL Project

Project Schedule	Planned	Actual
Time taken to prepare the project (months)	4 Months	12 Months
First Bank mission (identification)	Not Planned	August 1999
Appraisal mission departure	November 2000	November 2000
Negotiations	January 2001	March 21, 2001
Planned Date of Effectiveness	April 2001	

Bank Staff who worked on the Project included:

Name	Bank Unit	Borrower Agency	Specialty
Nicholas Bennett	AFMET		Task Team Leader
Joanne Caper	HDNED		Distance Learning Alternatives
Sivaramen Ramaswawmy	ISGNC		Upgrading GDLN Facilities, Regional Center Connectivity
Abebaw Alemayehu	AFMET		Evaluation & Monitoring Specialist
Samuel Haile Selassie	AFMET		Procurement Specialist
Eshetu Yimer	AFMET		Costing, Accounting, Disbursements, Audit
Ramesh Ramaswamy			Regional Center Connectivity
Rey Castro	AFTI2		Operations Specialist
Solange Alliali	LEGOP		Sr. Legal Counsel
Kafu Awunyo	LEGOP		Legal Counsel
Steve Gaginis	LOAG2		Disbursement Officer
Subhash Dhingra	AFTQK		Sr. Procurement Specialist

Annex 8:

Documents in the Project File*
ETHIOPIA: Distance Learning LIL Project

A. Project Implementation Documents

Project Implementation Manual
Financial Management Manual

B. Bank Staff Assessments

Procurement Assessment
Financial Assessment

Annex 9: Statement of Loans and Credits
ETHIOPIA: Distance Learning LIL Project
as of March, 2001

Project ID	FY	Purpose	Original Amounts In US$ million		Difference between Expected and Actual Disbursements		
			IDA	Cancel	Undisb	Orig	Formally Revised
P050342	2001	WOMEN'S DEVELOPMENT INITIATIVES	5.00	0.00	4.98	0.27	0.00
P067084	2001	EMERGENCY RECOVERY AND REHAB.	230.00	0.00	234.72	0.00	0.00
P073196	2001	DEMOBILIZATION & INTEGRATION	170.60	0.00	174.15	0.00	0.00
P000756	1999	HEALTH SECTOR	100.00	0.00	74.33	30.88	0.00
P000732	1998	EDUCATION SECTOR INVESTMENT	100.00	0.00	66.00	27.04	0.00
P000755	1998	ROAD SEC. DEV. PROG.	309.20	0.00	229.04	146.95	0.00
P000733	1998	AG: RESEARC & TRAIN	60.00	0.00	45.81	13.23	0.00
P000771	1996	ESRF 1	120.00	11.48	42.98	62.49	40.87
P000764	1996	WATER SUPPLY DEV&REH	35.70	0.00	15.12	19.12	0.00
P000752	1995	NATIONAL SEEDS PROJECT	22.00	0.00	10.51	12.27	0.00
P000753	1995	NAT. FERTILIZER PROJ	120.00	0.08	19.49	26.41	0.00
P000734	1993	ROAD REHABILITATION	96.00	0.00	27.84	33.33	0.00
			1,368.50	11.56	944.97	372.00	40.87

STATEMENT OF IFC's
Held and Disbursed Portfolio
Mar-2001
In Millions US Dollars

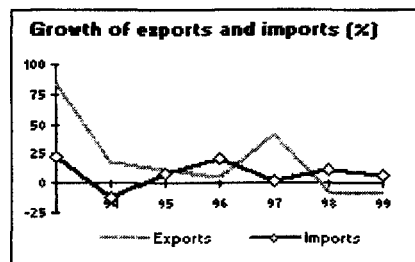|		Committed				Disbursed			
		IFC				IFC			
FY Approval	Company	Loan	Equity	Quasi	Partic	Loan	Equity	Quasi	Partic
	Total Portfolio:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Approvals Pending Commitment

FY Approval	Company	Loan	Equity	Quasi	Partic
1999	Sheba Tannery	5,000.00	0.00	3,570.00	0.00
Total Pending Commitment:		5,000.00	0.00	3,570.00	0.00

Annex 10: Country at a Glance
ETHIOPIA: Distance Learning LIL Project

POVERTY and SOCIAL	Ethiopia	Sub-Saharan Africa	Low-income
1999			
Population, mid-year *(millions)*	62.8	642	2,417
GNP per capita *(Atlas method, US$)*	100	500	410
GNP *(Atlas method, US$ billions)*	6.5	321	988
Average annual growth, 1993-99			
Population *(%)*	2.7	2.6	1.9
Labor force *(%)*	2.3	2.6	2.3
Most recent estimate (latest year available, 1993-99)			
Poverty *(% of population below national poverty line)*	45	..	..
Urban population *(% of total population)*	17	34	31
Life expectancy at birth *(years)*	43	50	60
Infant mortality *(per 1,000 live births)*	107	92	77
Child malnutrition *(% of children under 5)*	..	32	43
Access to improved water source *(% of population)*	27	43	64
Illiteracy *(% of population age 15+)*	63	39	39
Gross primary enrollment *(% of school-age population)*	43	78	96
Male	55	85	102
Female	31	71	86

Development diamond*

Life expectancy

GNP per capita — Gross primary enrollment

Access to safe water

——— Ethiopia
——— Low-income group

KEY ECONOMIC RATIOS and LONG-TERM TRENDS

	1979	1989	1998	1999
GDP *(US$ billions)*	..	8.1	6.6	6.5
Gross domestic investment/GDP	..	13.5	17.2	17.8
Exports of goods and services/GDP	..	9.2	15.8	13.7
Gross domestic savings/GDP	..	7.9	5.3	2.7
Gross national savings/GDP	..	9.8	9.3	7.1
Current account balance/GDP	..	-3.6	-7.9	-10.4
Interest payments/GDP	..	0.9	1.6	1.2
Total debt/GDP	..	96.8	149.5	141.9
Total debt service/exports	6.2	40.2	3.1	17.6
Present value of debt/GDP	..	..	120.5	..
Present value of debt/exports	..	..	751.5	..

	1979-89	1989-99	1998	1999	1999-03
(average annual growth)					
GDP	0.9	4.2	-1.0	5.8	5.6
GNP per capita	-1.9	0.9	-4.2	3.3	3.1
Exports of goods and services	2.8	5.6	-7.8	-9.3	7.0

Economic ratios*

Trade

Domestic Savings — Investment

Indebtedness

——— Ethiopia
——— Low-income group

STRUCTURE of the ECONOMY

	1979	1989	1998	1999
(% of GDP)				
Agriculture	..	48.5	52.3	52.3
Industry	..	14.2	11.1	11.1
Manufacturing	..	8.5	7.0	7.0
Services	..	37.3	36.5	36.5
Private consumption	..	73.5	80.4	81.3
General government consumption	..	18.7	14.2	16.0
Imports of goods and services	..	14.8	27.7	28.8

	1979-89	1989-99	1998	1999
(average annual growth)				
Agriculture	-0.4	2.5	-10.3	4.2
Industry	1.2	4.6	6.3	7.6
Manufacturing	-0.9	4.8	5.8	4.9
Services	2.8	5.8	10.4	8.2
Private consumption	-0.3	3.4	-2.4	4.7
General government consumption	4.4	2.7	30.6	18.5
Gross domestic investment	3.4	9.9	0.1	9.5
Imports of goods and services	2.5	4.0	11.7	6.2
Gross national product	0.7	4.2	-1.8	5.9

Growth of investment and GDP (%)

——— GDI   ——◇—— GDP

Growth of exports and imports (%)
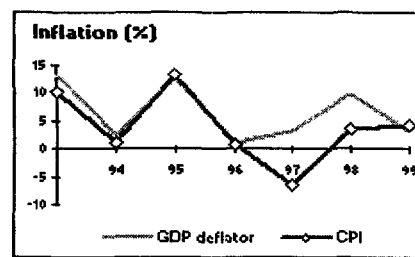

——— Exports   ——◇—— Imports
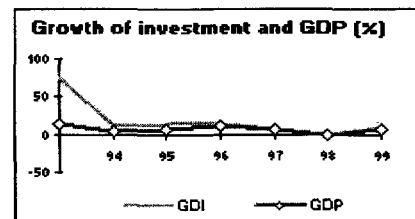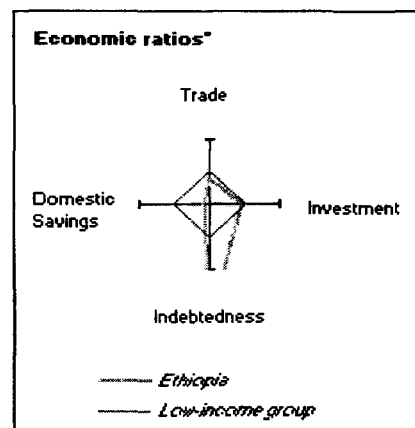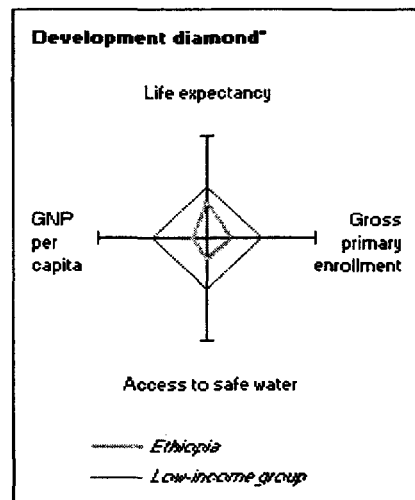
Note: 1999 data are preliminary estimates.

* The diamonds show four key indicators in the country (in bold) compared with its income-group average. If data are missing, the diamond will be incomplete.

PRICES and GOVERNMENT FINANCE

	1979	1989	1998	1999
Domestic prices				
(% change)				
Consumer prices	16.0	9.6	3.7	4.2
Implicit GDP deflator	..	4.3	9.7	3.3
Government finance				
(% of GDP, includes current grants)				
Current revenue	..	23.2	18.0	17.5
Current budget balance	..	0.6	2.3	-0.1
Overall surplus/deficit	..	-10.9	-6.5	-7.3

Inflation (%)

GDP deflator — CPI

TRADE

	1979	1989	1998	1999
(US$ millions)				
Total exports (fob)	360	444	602	484
Coffee	..	303	420	281
Hides	..	60	51	57
Manufactures	..	..	..	..
Total imports (cif)	589	1,020	1,519	1,570
Food	..	186	172	172
Fuel and energy	..	103	246	194
Capital goods	..	397	569	651
Export price index *(1995=100)*	..	82	97	79
Import price index *(1995=100)*	..	117	104	101
Terms of trade *(1995=100)*	..	70	93	79

Export and import levels (US$ mill.)
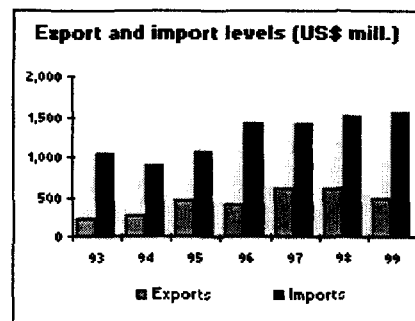
Exports ■ Imports

BALANCE of PAYMENTS

	1979	1989	1998	1999
(US$ millions)				
Exports of goods and services	455	752	1,037	894
Imports of goods and services	660	1,201	1,815	1,866
Resource balance	-205	-449	-778	-972
Net income	-3	-83	-91	-85
Net current transfers	83	238	349	374
Current account balance	-124	-294	-520	-683
Financing items (net)	79	284	650	633
Changes in net reserves	45	10	-129	49
Memo:				
Reserves including gold *(US$ millions)*	319	123	412	434
Conversion rate *(DEC, local/US$)*	2.1	2.1	6.9	7.5

Current account balance to GDP (%)
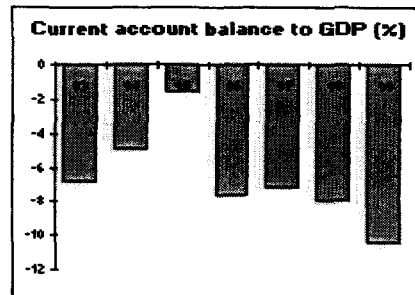
EXTERNAL DEBT and RESOURCE FLOWS

	1979	1989	1998	1999
(US$ millions)				
Total debt outstanding and disbursed	740	7,842	9,812	9,286
IBRD	59	31	0	0
IDA	221	718	1,586	1,948
Total debt service	29	304	33	160
IBRD	9	13	0	0
IDA	2	9	28	31
Composition of net resource flows				
Official grants	..	..	418	..
Official creditors	95	402	-209	-267
Private creditors	6	-70	-6	-10
Foreign direct investment	..	..	4	..
Portfolio equity	..	..	0	..
World Bank program				
Commitments	0	72	609	160
Disbursements	47	70	72	148
Principal repayments	4	14	17	19
Net flows	43	56	56	129
Interest payments	7	8	11	12
Net transfers	36	48	44	117

Composition of 1999 debt (US$ mill.)

G: 619

F: 333

B: 1,948

C: 127

D: 1,532

E: 4,727

A - IBRD   E - Bilateral
B - IDA   D - Other multilateral   F - Private
C - IMF   G - Short-term
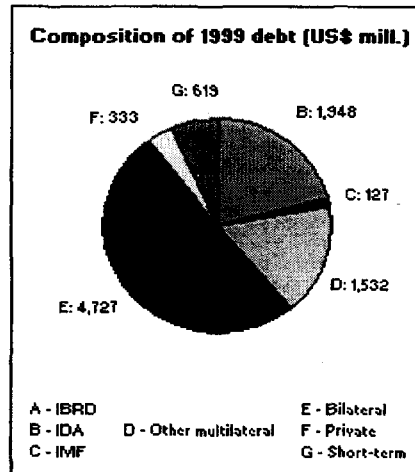
Annex 11

Organization, Staffing and Technical Capacity of IDE
ETHIOPIA Distance Learning Project (EDLP)

Organizational Structure and staffing of EDLP

EDLP will operate through one central (Addis Ababa) and seven regional centers. The central distance learning center is located in Addis Ababa at the Civil Service College (CSC). The proposed regional centers are to be located in Amhara (Bahir Dar), Tigray (Makelle), SNNP(Awassa), Oromia (Nazareth), Somali (Jinga), Addis Ababa, and Dire Dawa/Harrari. The central distance learning (DL) center at the CSC has been organized under the IDE (Institute of Distance Education), which is part of the CSC management structure. The central DL center has been designed to be the node in a global network of World Bank training centers, which have full multi-media (voice, video and data) connectivity to each other and centers of knowledge around the world.

The IDE is organized within the CSC, with its own offices and classrooms. The CSC has 3 faculties and 2 institutes (Institute of Distance Education [IDE], and Federal Regional Government Research Institute). The CSC board is the highest policy level of the CSC structure.

CSC Board. The Board is chaired by a representative from the Prime Minister's Office. The CSC President is a member and acts as its secretary.

CSC and IDE. The IDE is headed by a Dean, who will keep the CSC management informed on key issues relating to IDE's operations. The Civil Service College in general, and IDE in particular will be responsible for: i) ensuring that EDLP operates according to the guidelines and regulations specified in the Implementation Manual; ii) Preparing annually for the Board and IDA a review of EDLP performance (including a financial report), and a consolidated work program and budget based on the pipeline of training proposals received by the central and regional centers; iii) supervising and monitoring the activities of the regional centers; iv) marketing the activities of the DL, processing training requests, supervising implementation of DL courses; v) managing the development of printed learning and purchasing printing materials and course materials; vi) maintaining a project performance monitoring and information system, and cooperating with the internal and external evaluators to ensure adequate and appropriate data collection for evaluation reports.

Regional Centers. Seven regional centers are responsible for the day-to-day EDLP operation including registering students, collecting fees and maintaining accounting records, hiring and supervising tutors, monitoring, implementing, and submitting reports and documentation to the central DL center.

Staffing of the Central and Regional DL centers. IDE and the central DL center are already operational, and are staffed with 6 department heads, namely i) Academic Development, ii) Regional services, iii) Research, Evaluation and Training, iv) Central Support Services, v) DLC – Video Conferencing and Technology, and vi) Operations. (Responsibilities for each are detailed in Table 1)

For the 3.5 years duration of the LIL, the IDE plans to have 28 staff, 17 professionals and 11 support. It also needs a marketing specialist who can market the IDE training programs and services to the private sector.

Eighteen staff will be required in the regional centers, including 12 professionals and 6 support staff. There was some debate regarding whether the Addis office would require hiring an additional regional coordinator or whether those responsibilities could be assumed by the head of the Central Support Unit. We believe that they can be absorbed by this Unit

Table1: EDLP Professional Staff Requirements

Position/ Department	Tasks	Qualification and Skills	Number (Existing)	Add'l required
1. IDE – Dean	• Overall responsibility for the sustainable operation of the centers • Manage the operation and accounts of the central and regional centers	A higher degree, with experience in education, preferably in distance education	1	
2. Marketing	• Liaison with private sector companies to identify training needs and market courses offered by IDE. • Promote learning events with general public. • Prepare an annual business plan for the centers	A degree in business, have a working knowledge of communication technology. Have an entrepreneurial spirit, marketing skills and business management experience in private sector.		1
3. Academic Development	• Manage the development and/or adaptation of course material.	A higher degree in education, with emphasis in curriculum development.	1	2
4. Research and Training Evaluation	• Undertake research on distance education • Identify ongoing training needs • Identify problems of distance learners and work to solve • Evaluate training • Pilot test print materials • Coordinate training with the course providers • Supervise collection of data for ongoing monitoring and evaluation	A higher degree in education research and/or training evaluation.	1	2

Position/ Department	Tasks	Qualification and Skills	Number (Existing)	Add'l required
5. Regional Services Support	• Supervise registration of participants • Follow-up assignment • Identify potential trainees in the civil service • Coordinate contact with regions and civil service institutions • General quality control of regional operations • Train tutors	A higher degree in education.	1	2
6. Central Support Services	• Manage and maintain the accounts of the centers • Publicity • Procure and distribute materials and supplies • Arrange contracts with printers	A degree in Administration and finance	1	1
7. DL center (CSC) Video Conference and Internet based	• Manage the operation of the DL center • Coordinate course offerings of course providers • Ensure the proper distribution of all course materials • Facilitate the smooth delivery of courses delivered through videoconference and internet • Moderate discussion groups during local activities • Support the Distance Learning Center's technology infrastructure	DL manager with a higher degree in information technology and experience in education. One training coordinator/facilitator with a higher degree in education and excellent communication skills. One technology technician with a university degree in computer science	3	

Position/ Department	Tasks	Qualification and Skills	Number (Existing)	Add'l required
8. Regional Center Managers	• Manage the regional center • Be the primary contact persons with regional participants in courses and seminars • Coordinate course offerings with the IDE • Supervise the registration of participants • Ensure the proper distribution of course materials • Participate in pilot material testing • Collect fees • Supervise maintenance of records	3 people in each regional center. One coordinator with a higher degree in education, and/or business administration. One technologist (assistant technician) with a diploma/degree in computer science. One secretary with a diploma in secretarial science and experience in accounting.		18

Organizational Structure – Structure of EDLP Central and Regional centers
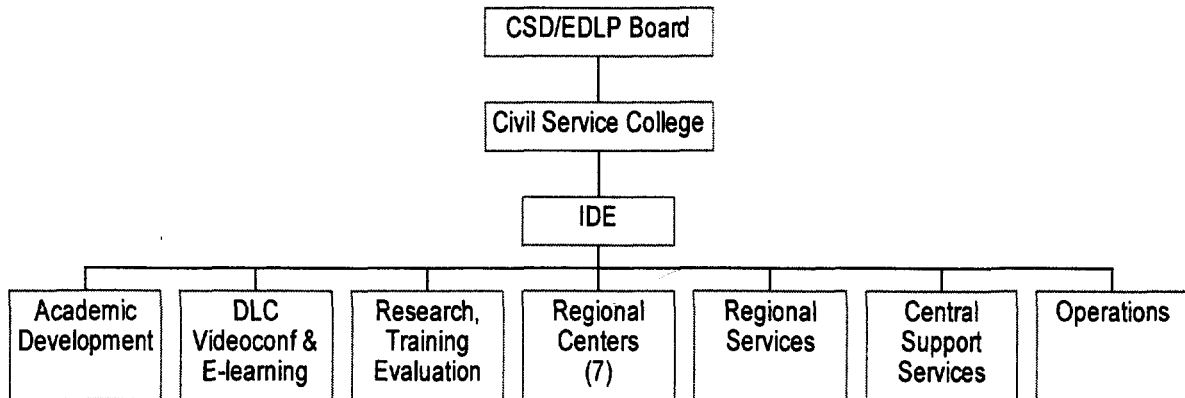
Regional Centers:
Makelle
Awassa
Bahir Dar
Addis Ababa
Nazareth
Jinga
Dire Dawa/Harrari

Strengthening technical capacity in the Institute of Distance Education (IDE)

A. Objective

Objective: The IDE capacity building program aims: i) to provide IDE staff (central and regional) with the capacity to manage the DL and carry out the responsibilities described in the Implementation manual, and ii) increase the knowledge base of IDE through supporting and encouraging studies that will increase the effectiveness of DL activities.

The IDE has the overall responsibility for the sustainable operation of the DL centers. The major task of the IDE is to be able to generate sufficient activity in courses, seminars, and workshops that will justify an income sufficient to pay for network access, staff cost and maintenance and depreciation of equipment. This requires training of project staff in i) DL management, ii) communication technology, iii) marketing and business management, iv) designing Web pages and managing Web content, vi) familiarization in E-learning (on line learning), vii) training evaluation , viii) pilot testing print materials, ix) basic computer literacy and internet use, and x) desk top publishing.

B. Capacity Building Targets:

In view of the above objectives, two capacity building and training targets have been selected for financing under EDLP; i) Strengthen the IDE management and staff, enable IDE to put in place sufficient organizational capacity to carry out its responsibilities reflected in the implementation manual, and ii) increase the knowledge base of IDE through studies, research and impact evaluation on beneficiaries.

C. Beneficiaries of the Capacity building:
Two levels of beneficiaries have been identified:

The Center: The DL central coordinating unit and IDE which must be able to ensure that EWDLP operates according to agreed procedures, establish and manage the DL system, manage the development and adaptation of Course material.

The Region: IDE regional centers' staff who must have adequate capacity to carry out the day to day operation of DL, to administer the center, process registration of participants, to maintain project monitoring system, and supervise and report implementation of DL activities in the region.

D. Review process:

An assessment will be made at the end of one year to ascertain success in achieving the capacity building targets outlined above. The problems and constraints observed will be taken into account in planning implementation strategies for subsequent years. The schedule for review of the contribution of the component will be arranged in line with the supervision of the overall project.

Summary of capacity building targets and expected outputs with preliminary cost estimates

Capacity building targets	Expected outputs
1.Strengthen the IDE central management and staff, enabling IDE to put in place sufficient capacity to carry out its duties and mandate.	• Increased capacities in Basic computer literacy for 17 professional central staff of IDE. • Increased capacity in designing Web page and managing Web content of one staff of IDE. • Increased capacities in desktop publishing of 4 secretaries of IDE. • Increased capacities in the management of DL of one staff of IDE (Visit to South Africa). • Increased marketing and business management capacity of 3 staff of IDE. • Increased capacities in E-learning of 3 IDE staff. • Study tour to similar activities of other countries for # regional coordinators conducted. • MIS for IDE designed and installed. • Vehicles and computers, procured for IDE central Laboratory.
2. Strengthen the IDE regional staff, enabling the staff to have sufficient capacity to carry out its duties and mandate.	• Increased capacities in basic computer literacy of 6 regional coordinators. • Increased capacities in the maintenance of equipment and communication technology of 6 assistant regional technicians. Computers and AV equipment procured for IDE regional centers.
3. Increase the knowledge base of IDE through the support of studies and research that improve the efficiency and effectiveness of the DL program	• IDE DL activities evaluated annually. • Research undertaken to identify problems of distance learners.

Annex 12:

Relationships Between Regional Centers and CSC
ETHIOPIA Distance Learning Project

General

Each region will initially be staffed by a coordinator, a technician, and a secretary/accountant. As the need arises the staffing could be expanded. The regional centers will recruit learners, collect their fees, and manage the required number of tutors and tutorial sessions. The centers will be open 12 hours a day seven days a week so that the private sector, and private individuals can benefit from the computer network and internet access

Before any regional center is opened the coordinator would have received a minimum of eight weeks of training. The Technicians, essential for the maintenance of equipment both at the DLC, and at the regional centers, would be provided with a fully paid course through the internet, designed to upgrade their skills.

Academic

The whole system needs of learner selection, tutor recruitment and academic control will not be bureaucratic, but will be based on a trusting relationship between the IDE and the regional coordinators. Most of the key processes, including learner admission will be almost entirely in the hands of the regional coordinators, and be based on the following three criteria:

- Overall grade in the ESLC, and the grade in English, and possibly maths;
- Recommendation of his/her employer,
- Score in a standardized aptitude test

Each region would have a certain quota in a certain subject each year, and would merely take the candidates up to the quota on the basis of merit.

The main academic control from the IDE will take place during examinations at the end of each course, which will be set by IDE, which will also be involved indirectly in its marking.

Financial

It is expected that learners and their employers will together pay around two thirds of the regular operational expenditures of the specific course they are taking. In order to avoid unnecessary toing and froing of funds

- Funds from the learner and his employer would be deposited in a local account of the CBE, and the 'pay in' slip presented to the regional coordinator, as a final admission requirement;
- Each regional center would present an annual budget to the IDE/CSC for approval;
- The Bankers of the regional center would be instructed to transfer to the central account of the CSC any amount deposited by learners in excess of the regional budget, and if possible, not to make payments in any month in excess of an agreed amount;
- For each check written by the regional coordinator there will need to be a second signatory. Who this should be still needs to be decided;
- Accounts and bank statements will be sent to the CSC monthly. This will be able to be done by internet.

Administrative

The coordinator will report to the Dean of the IDE for all academic matters, and to the Head of the Administrative and Finance Department for budget and financial management issues.

A manual for the different aspects of running a regional center is under preparation. Once it is ready it will be tested with a number of potential regional coordinators. Given the fact that the coordinator will have at least four different functions, namely: as an academic advisor and mentor; as a financial controller, as a human resource manager, and as a promoter of the program; methods will have to be found to top up his salary to make the post attractive. In addition great care have to be devoted to his selection; and considerable resources devoted to providing him with at least two months of carefully designed pre service training.

Annex 13:

Technical Assistance Requirements
ETHIOPIA: Distance Learning LIL Project

The following technical assistance will be needed under the project in order to ensure that the most appropriate and effective technologies are being used:

- Print Media Course Development
    - Training of Staff in Ethiopia $410,000
    - External Staff Training .... $ 62,000
    - Foreign Experts and Coordination. .... $ 63,000
- Internet Course Development
    - Training of Staff on Web Course Availability. $100,000
    - Training of internet course developers. $200,000
    - Subscriptions to internet courses $200,000
- More Effective Use of Video Conference Facilities
    - Video conference use and staff training. .... $ 100,000
- Summative and Impact Evaluators of DL Alternatives
    - Contract with local research inst. .... $ 40,000
- Administrative training of involved CSC Staff .... $ 40,000
- Distance Education Course Developers (from outside the CSC/IDE)
    - Allowances to external developers $200,000
    - Typing, layout, editing, proofreading $200,000

GRAND TOTAL **$1,615,000**

For the print media course development TA, an institutional contract would be given to an organization such as the British Open University. This organization will be responsible for the training of the CSC/IDE management staff in the design and running of printed media DL courses, the training and initial supervision of course material developers, the design and initial running of tutor training, the choice of appropriate pedagogic strategies, strategic planning, and learner assessment.

For the internet course use assistance will be sought in identifying the most appropriate web based courses for upgrading the skills of Federal and Regional civil servants. In addition an internet based technical assistance service will be recruited to provide advice and assistance in the design, organization and management of internet courses through the regional centers with internet facilities.

One of the problems with the interactive VC facilities that will be upgraded through the LIL is that they are not used frequently. It is intended to recruit a short tem consultant on the cutting edge of this technology to advise on some of the most appropriate program providers and to negotiate appropriate terms for using these courses on behalf of the CSC, and its regional centers.

Regular monitoring of the use that is being made of the various DL courses being offered through DL media will be kept by the research and evaluation department of the IDE, however mid term and final summative, cost effectiveness and impact evaluation will be contracted to a local research organization.

The procurement, administration, and probable finance management staff involved in the implementation of this project will need training in World Bank Procedures.

The academic staff of the CSC is already fully occupied in teaching the regular full time students at the college. Thus for the development of new distance learning courses, staff from other academic institutions will have to be employed on a piece work contract basis to develop the course materials. Groups of professionals will be employed to work together to produce a certain course according to acceptable standards.

Annex 14:

Rationale for Use of Internet to Deliver Courses
ETHIOPIA: Distance Learning LIL Project

The Internet has been selected as a mechanism to deliver coursework for several reasons:
- There is substantial research evidence that this approach is as effective, and often more effective, than in-person and/or print-based distance learning.
- There is some evidence that learners can learn faster using the computer, and, when such learning is well-designed, is up to 55% faster when that learning is interactive.
- Learner support and feedback can be provided much more quickly and frequently with internet based distance courses than with print media based distance courses, thereby increasing the efficiency of students' learning as well as their motivation to continue learning -- particularly important for distance learners.
- Communities of learners across regions can communicate with one another.
- There is an extensive array of resource materials available to learners on the World Wide Web; materials, knowledge and information that may be useful in their coursework and for their professional responsibilities.
- There is also an extensive array of coursework available through the Internet, which may be accessed by IDE to deliver to learners.
- It is increasingly possible that learners, most of whom are civil service employees, will be using computers and the Internet in their jobs within the next several years.
- This experience will prepare them for the dramatic changes that are occurring worldwide in use of information technology, particularly for knowledge access.

Shortcomings of using the Internet to deliver training include:
- limited access to the Internet, particularly in Ethiopia and particularly in most regional centers and all rural areas;
- lack of electricity in some rural areas;
- costs of hardware, software and Internet connectivity;
- need for learner to be trained in the use of computers and the Internet;
- need to train IDE staff (including tutors) in developing, delivering and supporting training delivered on the Internet;
- likelihood that some learners will be anxious and/or uncomfortable using the computer;
- additional time required to train learners in computer-literacy skills;
- need to produce/purchase printed materials to complement online learning;
- need for students to be at an Internet access site in order to engage in some of the Internet-based learning;
- need for students to develop keyboarding skills – which can take longer to learn than computer literacy.

Annex 15:

Monitoring, Evaluation, and Performance Indicators
ETHIOPIA: Distance Learning LIL Project

Project Monitoring and Reporting

Regular and systematic collection of information and relevant data to monitor progress/performance of delivery mechanisms as well as the impact of the activities financed under the project will be undertaken. This is essential not only to be able to adjust the project mechanisms as necessary for effective project implementation but also for designing the expanded phase, if such a decision is made.

Regional centers will prepare and submit to IDE central Office, quarterly, and annual progress reports, which will provide details on implementation progress based on implementation goals and time table. The central IDE will prepare for submission to CSC Board and IDA, a consolidated semi-annual report within six weeks of the end of each half-year summarizing overall implementation, highlighting any specific problems that require attention, and proposing actions to correct these problems. The annual report will cover results of the whole year. Progress will be measured against previous year's Annual Work Plan and Budget

Project and Component Evaluation

The evaluation will be designed to provide two levels of information:

1)   summative results that show comparative effectiveness and cost-effectiveness of the main approaches used in the project: print-based, Internet-based, and videoconferencing, and possible combinations of the various delivery media used; and

2)   Implementation features of this project to provide IDE staff with information needed to refine the project mid-stream, and to create knowledge – to provide others wishing to implement similar projects with guidance for making sound decisions.

Each level of evaluation will require different staffing and data-collection efforts. The summative evaluation will be conducted by a local researcher, external to IDE. The contract for the evaluation will be let when the LIL is initiated to ensure that all data-collection systems are in place to be able to answer the major study questions listed below. A mid-project evaluation will be conducted at the end of two years, and an end-of-project report will be provided within two months of project completion. The electronic learning management system described below should be adequate for collecting much of the data needed to answer the summative evaluation study questions.

Summative Evaluation

Major questions to be answered in the summative evaluation include:

For each course and program,[1] which delivery mode(s) and tutoring approach(s) results in:

•   greater learner achievement;

_____

[1] Program refers to an extended course of study that is made up of a number of courses that lead to a certificate or diploma – such as a diploma in accounting. Course will refer to a single topic within the program, such as Accounting 101 or Biology 101.

- greater learner satisfaction;

- fastest course and program completion time;

- highest program completion rate; and

- greatest overall cost effectiveness.

Implementation Evaluation

The implementation evaluation will require ongoing data collection and is much more complex than the summative evaluation.

Implementation issues for which data should be collected and reported include the following:

- *Tutor support*

Questions of concern include:

1. What is the student-tutor ratio that most cost-effectively produces the most course completers?

2. What tutoring strategies and frequency of contact produce the most favorable results, such as e-mail communication; in-person meetings; on-the-job support by professional colleagues; written feedback, etc.

3. What is the amount and type of training that results in the most effective tutor support?

4. Is tutor support provided online by E-learning companies effective -if E-learning companies are used?

5. Can online learning programs be designed in ways to reduce or obviate the need for tutors?

6. Which types of individuals make the best tutors and at what cost? (e.g., professional colleagues, faculty from the CSC, faculty from other institutions, graduate students, high school teachers, private sector employees?

7. What is the most cost-effective way to pay tutors? E.g., per hour, per student, per course, per successful student completer, per assignment, per quality of student feedback, per student satisfaction?

- *Learning materials, delivery and process*

There was considerable discussion during the project design regarding course materials. A number of issues around materials should be documented and reported, including:

1. What is the effectiveness and cost-effectiveness of locally-developed materials vs. purchasing off-the-shelf materials. (This may vary by course content and provider.)

2. Do these comparisons hold with regard to online learning?

3. How much written text material are fully-employed students able to absorb during a course term?

4. Do these comparisons vary by provider and type of arrangement – for example, collaboration, vs. licensing?

5. What level familiarity and comfort in computer literacy do individuals need before they can begin taking courses online?

6. What level of keyboarding skills should the online students be required (or encouraged?) to have before initiating online courses? How long does it take to get them to various levels of proficiency?

7. Is there any difference in effectiveness of videoconferencing courses based on whether there is live interactivity? Or if they are provided with videotapes of the videoconferencing session vs. live videoconference?

8. How do individuals deal with the issue of using print materials within the context of online courses? And how does the bandwidth (speed of access to the Internet) influence time spent online engaged in learning and course completion time?

9. What is the amount of learning materials that distance students can successfully complete, given that they are employed full time and that the materials are not written in their mother tongue.

Pilot Testing of Learning Materials:

Pilot testing is probably the most important, but least implemented aspect of learning materials development. The process used to pilot test IDE's learning materials (whether developed or adopted and whether in print or online) will be documented in detail and the findings of the pilots and the changes made will be analyzed and summarized weekly. Such analysis can be a valuable resource to others developing similar materials for similar audiences.

- *Student Assessment*

Many forms of student assessment promote the memorization of discrete facts, formulas and information, without encouraging learners to integrate the various aspects of their learning into an integrated whole that can be applied in real-life settings. More authentic forms of assessment have been developed over the past several years and it would be useful for IDE staff to have professional development in this area. The staff who should participate in such training include faculty and consultants who will develop learning materials, tutors who will evaluate students' assignments and examinations, and R&E staff who may be able to provide technical assistance in developing authentic learning assessments.

- *Language and study support*

Many of the students that will be participating in the IDE programs have limited English-language facility. The faculty have identified these learning needs and propose to address them in two ways: 1) by providing two semesters of English-language instruction, and 2) writing course materials in simpler, straightforward language with numerous examples, graphs, exercises and conceptual models.

1. Are these strategies adequate?

2. Would it be more cost-effective to provide diagnostic testing of each entering student and to provide remedial instruction tailored to each student's particular English-language needs? Can this diagnosis and remediation be done at a distance?

- *Courses for the private sector and general public.*

The cost of the videoconference and Internet infrastructure and hardware is high. And it is unlikely that it will be in use full time by IDE students. Can the IDE generate additional income that can contribute to sustainability by providing courses to both the private sector and the general public, by using these facilities during underutilized hours? Other distance learning institutions have reported success in this and is an area that should be documented and reported.

An individual will be employed by IDE to "market" such courses to the private sector and to cement relationships between the IDE, the regional centers, the private sector institutions and the community in the various regions. Some of the specific questions that need answering include:

1. What sorts of courses are attractive to the private sector? To the general public? It is expected that there is a high demand for computer courses.

2. What fees can IDE charge each group without out-pricing themselves?

3. What strategies will the IDE use to provide computer-related courses, given the shortage of skilled/trained computer personnel and the competitive demand for their services? For example, could they recruit someone to train IDE students at IDE salaries, but who would be allowed to use the IDE facilities to offer courses to the public after hours and receive a "commission" for such courses? What kinds of waivers in government regulations would need to be made to permit such flexibility?

4. How would the IDE arrange to identify and/or develop courses to meet the needs of the private sector and/or general public? Will online learning be useful to them for this purpose? Would providing services to the private sector conflict with their primary mission of serving the Ethiopian Government Civil Service agencies and personnel?

Some Key Performance Indicators

Indicator	Planned (To be specified annually)	Actual	Difference
Input Indicators • IDE share of total CSC budget • % of requests received for DL learning by type of course			
Process Indicators • Staff evaluation of training they receive in DL. • Quarterly staff evaluations of TA provided to IDE • Quality of learning materials developed and/or adopted/adapted, as judged by students. • Pilot testing and appropriate revision conducted of all learning materials (records of learner feedback and changes made based on feedback) • MIS system in place and used to monitor student enrollments, grades, course completion and time-to-completion by course and program. • Tutor reports of satisfaction with training received. • Quarterly reports from students regarding satisfaction with tutoring support • Quarterly reports from tutors regarding needs from IDE staff to support their effectiveness as tutors • Quarterly reports from IDE regarding monitoring of tutors and appropriate adjustments made. • Reports of revenue from private sector			
Outcome Indicators • IDE Student enrollments as compared with CSC Regular Enrollment. • Number and percent of course completions by delivery media and type of tutor support • Number and percent of program completions by delivery media and type of tutor support • Student GPA by course, program, delivery media and type of tutor support • Time-to-completion by course, program, delivery media and type of tutor support. • Learner satisfaction, compared with CSC and by course, program, delivery media and type of tutor support			

MAP SECTION

IBRD 31158

ETHIOPIA

SUDAN

ERITREA

Red Sea

REPUBLIC OF YEMEN

Gulf of Aden

DJIBOUTI

SOMALIA

KENYA

UGANDA

Regions: TIGRAY · AFAR · AMHARA · BENSHANGUL · GAMBELA · S.N.N.P.R.S. · OROMIYA · SOMALI · HARARI · DIRE DAWA

Selected towns and features: Humera, Inda Silase, Axum, Adigrat, Asele, Abiy Adi, Wikro, Mekele, Adi Gudom, Bete mariam, Korbeta, Maychew, Korem, Kobo, Debark, Dabat, Abergele, Sekota, Metema, Atbara, Gonder, Azezo, Aykel, Lalibela, Weldiya, Logiya, Tendaho, Asaita, L. Assal, L. Afdera, Gorgora, Adis Zemen, Debra Tabor, Werota, Bahir Dar, L. Tana, Ts Isat, Wegel Tena, Hayk, Bati, L. Gamari, L. Abe, Dewele, Dangla, Adet, Abay, Mota, Mekane Selam, Tenta, Dese, Kombolcha, Aysha, Injibara, Finote Selam, Debra Work, Were Ilu, Kabi, Karakore, Efeson, Gewani, Bure, Bichena, Mehal Meda, Sela Dingay, Robit, Debre Markos, Dejen, Alem Ketema, Jihur, Debre Birhan, Dire Dawa, Eiersagoro, Togochale, Asosa, Aliba, Gebre Guracha, Fiche, Debre Sina, Grabela, Kulubi, Eonyan, Jilga, Shambu, Fincha, Kochise, Mukatura, Muger, Sheno, Mieso, Chirina, Dedar, Kemisse, Burka, Giravu, HARARI, Nekempt, Teldu, Inchini, Adis Alem, Arba, Asbo, Gelemso, Meyumuluke, Sire, Hagere Hiywar, Gedo, Ginbi, Addis Ababa, Akaki, Welchiti, Mechara, Aware, Misrak Gashamo, Arjo, Giyon, Tulubolo, Nazret, Abomsa, Fik, Domo, Duba, Alge, Bedele, Suntu, Welkite, Koka, Dera, Segeg, Kebri Dehar, Geladi, Dubub, Metu, Supe, Jima, Indibir, Butajira, Ziway, Asela, Ticha, Shek Husen, Warder, Agaro, Asendabo, Kolito, Bekoji, Agarfa, Robe, Gora, Ginir, Tepi, Bonga, Chida, Shashemene, Dodola, Adaba, Megalo, Imi, Denan, Mizan Teferi, Soda, Kabala, Nonsebo, Wendo, Viten Alem, Meslo, Gode, Shilabo, Jinka, Chencha, Arba Minch, Dila, Kibre Mengist, El Kere, Kelafa, Mega, Mustahil, Ferfer, Maji, Felege Neway, Gelta, Chamo, Hayk, Agare Maryam, Shakiso, Bitata, Negele, Jema Shilindi, Yet, Kelem, Hamer Koke, Key Afer, Yabela, Wachile, Dolo Odo, Turkana, L. Chew Bahir, El Leh, Moyale

SOMALIA

INDIAN OCEAN

Rivers: Nile, White Nile, Blue Nile, Dinder R., Dabus R., Baro, Gilo R., Akobo, Omo, Gojeb, Shebele, Wabi, Genale, Dawa, Weyz, Fafen Shet, Tekeze R., Mereb R., Abay, Awash, Mille R., Goch R.

Roseires Dam

Legend

▬▬▬	ASPHALT, ALL-WEATHER ROADS
▬▬	GRAVEL, ALL-WEATHER ROADS
——	RURAL AND/ OR DRY-WEATHER ROADS
○	SELECTED TOWNS
▬▬	STATE/ REGION (UNOFFICIAL 1994 BOUNDARIES)
—·—·—	INTERNATIONAL BOUNDARIES

0   100   200   300
KILOMETERS

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NOVEMBER 2000

Inset map

SUDAN · ERITREA · Khartoum · Asmara · REP. OF YEMEN · NO DEFINED BOUNDARY · TIGRAY · AFAR · DJIBOUTI · AMHARA · DIRE DAWA · HARARI · BENSHANGUL · SOMALIA · GAMBELA · Addis Ababa · OROMIYA · SOMALI · S.N.N.P.R.S. · UGANDA · KENYA · Mogadishu

35°   45°   15°   10°   5°   40°