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Back-to-Office  
Reports

Masood's  
draw

## OFFICE MEMORANDUM

TO: Mr. Sven Sandstrom, Chief, URBD2

DATE: October 22, 1979

FROM: D. Graham, M. Ahmed, B. Assimakopoulos, C. Godavitarne, M. Rathnam (URB) and D. Gilmore (Consultant)

SUBJECT: JORDAN - Urban Project Appraisal Mission  
Back-to-Office and Full Report

1. Under the Terms of Reference dated September 6, 1979, we visited Jordan from September 8-28 to appraise the above project. The mission was joined by Messrs. Njomo, Pellegrini and Mould from September 18-23 (under separate Terms of Reference), who participated in key discussions with the Government and their consultants. Attached to this report is a copy of a letter sent to the Government outlining the main outstanding issues and the timetable for their resolution, as summarized below. Also attached is a Project Brief, prepared before the departure of the mission, which provides background information on the project and its objectives. Prior to the departure of the Appraisal Mission the Bank had advised the Government that, if project preparation was not sufficiently advanced, particularly on the upgrading component, it might not be possible to complete project appraisal and a follow-up mission would be necessary. Despite considerable progress made in preparing the project and resolving outstanding issues, the municipality of Amman could not reach agreement on the upgrading component during the appraisal mission. Consequently, a follow-up mission is scheduled to discuss the upgrading component as well as review the consultants' final report.

Status of Project Preparation

2. Prior to the mission's departure the main issues identified for attention during appraisal related to:
- (i) the lack of a well-defined institutional framework for project execution;
  - (ii) the absence of a project manager and other counterpart staff;
  - (iii) the problem of land acquisition;
  - (iv) the high unit costs and affordability of the sites and services component; and
  - (v) the lack of detailed preparation for the slum upgrading component, resulting partly from delays in commissioning physical site surveys.

During the mission it became apparent that there was a divergence between the consultants' proposals on the standards to be adopted for the upgrading sites and the Government's views on the matter, and that this posed a further issue to be resolved.

3. Three of these issues have now been resolved. The institutional responsibility for project implementation (issue 2(i) above) now rests with the National Housing Corporation, which is the body with overall responsibility for housing in Jordan and can replicate similar projects wherever they are needed in the country. Detailed proposals on the staffing requirements and working relationships of the project unit with other departments in the NHC are now being prepared by the consultants for inclusion in their draft final report now due to be presented to Government by October 30, 1979. The appointment of the project director is expected prior to the next mission. Land acquisition (issue 2(iii) above) appears not to be a serious problem. The

mission was assured by the legal adviser to the Ministry of Municipal and Rural Affairs that acquisition of the project sites could proceed within the existing legal framework and it is envisaged that the first step in this process will take place by the end of December 1979 (see letter attached). The Legal Officer responsible for the project has been appraised of the situation and may, if necessary, participate in the next mission. The unit costs of the site and service plots (issue 2(iv) above) has been reduced to make them more affordable through a reduction in the number of large (300m<sup>2</sup>) plots, a paring down of infrastructure and on-plot development unit costs and because the price of land is now estimated to be below the level used for previous calculations. The minimum plot size of 100m<sup>2</sup> is being retained.

4. Nevertheless, whilst much of the technical information required for appraisal of the project has been obtained and progress made on the resolution of these issues, project appraisal could not be completed for two main reasons. First, agreement has yet to be reached with Government on the detailed planning and design standards to be adopted for the upgrading sites and on revised road standards proposed for sites and services areas. Secondly, on some aspects of project preparation detailed proposals for project implementation have yet to be formulated and agreed.

5. Much of the delay that is now being encountered can be attributed to a lack of coordination and communication between the consultants and key policy makers in the Government which is itself largely due to the absence of a full-time project director in the Government who would normally liaise with the consultants and provide the necessary feedback on technical and policy matters. The Project Steering Committee meets only occasionally and, although its members take an active interest in the general progress of project preparation, their other responsibilities preclude any substantial discussion of detailed planning, design and engineering standards or of the technical arrangements necessary for effective project implementation.

6. This has meant that detailed proposals for the provision of water and municipal services to the project sites, the registration and selection of project beneficiaries, the operation, staffing and working relationships of the project unit within its parent organization, the National Housing Corporation, and the on-lending arrangements for the small business loans to be provided under the employment generation component of the project still have to be examined by Government and agreed. All these issues were raised with the Government by the mission and the Government has agreed to consider them on an urgent basis during the coming weeks and find solutions with their consultants, prior to the next mission. In particular, in view of the shortage of water in the Amman region, it was agreed that Government would examine with their consultants and the authorities concerned (AWSA, WSC, MMRA and the Municipalities of Ruseifeh, Zerqa and Amman) the alternative sources of water supply for the project areas and agree on solutions for water supply.

#### Main Issue - Upgrading Standards

7. Also resulting from this lack of communication between Government and its consultants is an apparent divergence between the proposals formulated by the consultants on the design and planning standards to be adopted for the upgrading sites and the Mayor of Amman's own views on the matter, which are of critical importance to the project as the Mayor, with the City Council, is responsible for standards within the Municipality of Amman. In accordance with their terms of reference, the consultants have based their design for the upgrading schemes on legalization of existing plot markings with a minimum

of dislocation. A detailed distribution of existing plot sizes is still not available but many of these plots are between 60 and 100m<sup>2</sup> and, on three of the four upgrading sites, there is substantial investment by squatters in the existing housing stock. The consultants' proposals therefore focus primarily on the provision of some infrastructure and services and building loans for self-help construction and improvement of existing houses.

8. The Government has previously accepted that standards for the upgrading sites should be designed to ensure affordability to the existing population within a framework of minimum public subsidies. However, when faced with the detailed proposals for the upgrading sites, the Mayor's immediate reaction was that in keeping with the standards that were agreed for the new development sites in the project, a minimum plot size of 100m<sup>2</sup> should also be adopted for the upgrading areas and existing smaller holdings consolidated to result in fewer, larger plots. This approach would result in the dislocation of about 40% of the existing population and the loss of between 20 and 25% of the existing housing stock. This program would clearly be unacceptable for Bank financing.

9. While this is obviously a serious issue, it may be resolved through a combination of measures. First, there is a need to impress further upon the Government the implications of a rigidly enforced minimum plot size of 100m<sup>2</sup> not only for the slum dwellers affected by the project but the whole of the country's urban squatter population. Secondly, the consultants need to involve staff of the Government in developing alternative plans for the upgrading sites which make maximum use of existing structures but also result in a clear improvement over the existing conditions of health, sanitation and environmental quality. Finally, the Government has to be convinced that these improvements can and do form part of a long-term urban housing strategy and should be perceived as laying the foundation for a series of phased improvements that will take place through public and private initiative over the medium term.

#### Next Steps

10. The mission believes that as detailed work proceeds on the development of the upgrading component and with a continuing dialogue between the Government, the Bank and the consultants these problems can be resolved over the next couple of months. Nevertheless, if agreement cannot be reached within this time scale, and if it becomes evident the Government's position is unlikely to change within the foreseeable future, it may be necessary to exclude the upgrading component from the project.

11. As a first step in this process, a letter has been sent to the Government outlining the Bank's understanding of agreements reached during the mission and the timetable for the resolution of outstanding issues. It emphasizes the need to appoint key counterpart staff immediately and for the Government to reconsider its position on the enforcement of a minimum plot size for the upgrading sites. A mission has also been scheduled for the end of November which will concentrate on resolving the issue of upgrading standards. Detailed proposals for other aspects of project implementation incorporated in the consultants' final report should also be available for review at that time.

October 22, 1979

12. A white cover appraisal report is now being prepared and this will be circulated for discussion before the departure of the next mission. The revised timetable for project processing is as follows:

Decision Memorandum	December 1979
Yellow Cover Appraisal Report	January 1980
Negotiations	March 1980
Board Presentation	May 1980

cc: Messrs: Knox, El Darwish, Thys, Stewart, Zaidan, Snoy, Thomas (EMP);  
Finzi (EMNVP); Bart, Merat, Siebeck, Moini, Njomo (EM2);  
Rajagopalan (PAS)(3); Chittleburgh (EDC); Churchill, Dunkerley,  
Cook, Mould, D. Singh, Walters, Sud, Madavo (URB); Kahnert (URBOR);  
Simmons (URBTAS); Strombom (LCP); Southall, Duval (LEG);  
Ve-Cheng Chang (CTR); Keare (DED); Kalbermatten(TWT)

October 19, 1979

Dr. Hanna Odeh  
President  
National Planning Council  
P.O. Box 555  
Amman, Jordan

Dear Dr. Odeh,

Re: Proposed Urban Project

The Bank mission which recently visited Jordan to appraise the proposed Urban Project have reported their findings and I would like to convey them briefly. May I first express my appreciation as well as that of the mission for the courtesy and assistance extended to them by you and your colleagues, especially Mr. Ma'an Abu Nawar, the Lord Mayor of Amman, Mr. Khouri, General Manager of Housing Bank, Mr. Nabulsi, Director General of the National Housing Corporation, and Mr. Atour, Undersecretary at the Ministry of Municipal and Rural Affairs.

The mission has reported that although good progress has been made on many aspects of project preparation, field appraisal could not be completed because agreement has yet to be reached on a number of policies and technical solutions, relating in particular to the upgrading component of the project. Our understanding on the outstanding issues and on the timetable for their resolution is presented below.

Institutional Arrangements

We support the Government's decision to designate the National Housing Corporation as the executing agency for the entire project. As outlined in the notes submitted to you by the mission, we believe that this arrangement will enhance the development of implementation capacity in a national organization which can replicate similar projects on a country-wide basis. We understand that the project unit in the National Housing Corporation would have a full time Director coordinating the work of the two main groups of staff. The first group would be largely concerned with the implementation of the new development sites and the second group with the upgrading sites; staff in the latter group would liaise particularly closely with the Mayors and staff of the Municipalities in which the project's upgrading sites are located. We look forward to receiving the Government's views on the consultant's detailed proposals to be included in the draft final report, outlining the objectives and operations of the project unit, its position within the organizational structure of the National Housing Corporation and its working relationships with the Municipality and other concerned government agencies.



### Land Acquisition

We understand that the process of land acquisition for both the new development and upgrading sites under the project can proceed within the existing legal framework, without amending existing laws. The mission was advised by the legal advisor to the Ministry for Municipal and Rural Affairs that the National Housing Corporation's charter enables it to acquire, develop and dispose of land on rental basis, both within and outside the Amman Municipal area for publicly approved housing and projects encompassing residential, commercial and community development uses. It is our understanding that this process is equally applicable to the upgrading sites whether developed or not and that such acquisition of land by the National Housing Corporation is considered to be in the public interest and therefore eligible for a 25 percent reduction in purchase price from the assessed market value as determined by the Land and Surveys Department.

Following approval by the Government, in consultation with the Bank, of the consultant's final delineation of project site boundaries, the initial step in the land acquisition process, that is publication in the official gazette of a notification of the Government's intent to acquire this land, could take place by January 1, 1980.

### Standards for Upgrading Areas

Since the presentation of the consultant's second interim report in July 1979, much technical work has been accomplished on the preparation of the upgrading component of the project. Nevertheless, while there is general agreement on the objectives of the slum improvement component, there is not yet agreement on detailed planning and design standards for the component. In particular, the question of whether exceptions, to existing minimum plot size regulations and other design standards are permitted, in already built-up areas, as part of an overall area redevelopment scheme was not resolved. This may be due in part to the fact that delays have occurred in the preparation of detailed proposals for examination by the Government and there has, therefore, been inadequate time to review the implications of alternative plans.

One of the agreed objectives of the project, as reflected in the consultant's terms of reference, is to demonstrate the feasibility of providing satisfactory shelter and urban services for the lowest income population groups at costs that they can afford without the need for Government subsidies. In this context, the consultants were asked to design the slum improvement scheme so as to minimize the displacement or relocation of the population, to retain as far as possible the investment in existing housing stock and to maintain and develop the economic and social fabric of the communities involved. While meeting the affordability objective may require a phased approach, i.e., one that results in progressive improvements over time, we agree with the Government that the underlying layout plan must also satisfy the long term development needs of the community.

We believe that a technical solution can be found for the upgrading component which would result in units that are affordable by project beneficiaries, minimize unnecessary social dislocation and obviate the need for Government subsidies. Since most of the upgrading sites already have substantial investment in housing, applying minimum plot size or other standards set for the new development sites would entail high social and economic costs. The cost of removing or drastically changing existing structures, resettling displaced families and of constructing the new structures that would be required in upgrading sites should a minimum plot size of 100 m<sup>2</sup> be adopted, could eventually lead to a substantial drain in the Government resources, allocated for urban housing. Applying a minimum plot size of 100 m<sup>2</sup> would lead to costs per beneficiary for the upgrading components that are substantially higher than those resulting from the Bank's proposal of preserving the existing investments in housing and minimizing displacement. These added costs would only be affordable to existing residents with extensive Government subsidies and this would seriously undermine the replicability of the proposed project elsewhere in Jordan.

#### Appointment of Counterpart Staff

Delays in the appointment of a full-time project manager and other key staff continue to be a source of some concern. Expeditious appointment of key personnel of the project unit would enable a closer supervision of the consultant's work and closer coordination on policy. The apparent inconsistency that now exists between the consultants' proposals on slum upgrading and the Government's views on this matter, can in our opinion, be partially attributed to the absence of a full-time project director who would normally liaise with the consultants and provide the necessary feedback on technical and policy matters. We understand that a project director to work within the National Housing Corporation would be appointed shortly and look forward to the appointment of other key staff in the immediate future to enable them to work closely with the consultants in the preparation of detailed designs for the project, prior to the arrival of the next mission, which is tentatively scheduled for end-November, 1979.

#### Provision of Municipal Services to Project Sites

The mission discussed with officials of the Government and the Municipality of Amman the question of providing municipal services, particularly the collection and disposal of solid wastes and the provision and maintenance of streets and lighting for the new development sites at Quweisma, Marka and Ruseifa, all of which lie partly or wholly outside existing municipal boundaries. The mission was advised that proposals are now being formulated within Government on the rationalization and extension of existing municipal boundaries to encompass adjacent developed areas. We share the view that the rationalization and extension of municipal boundaries to keep pace with spatial urban growth provides the basis for a long term solution of this question. We are pleased to learn

that in the period prior to the implementation of these proposals the provision of municipal services to the project sites could be handled either through contractual arrangements with nearby municipalities or through the temporary incorporation of these areas into nearby municipal systems, and understand that a precedent already exists for either solution. We suggest that detailed proposals be drawn up outlining specific responsibilities for providing service to all the project sites so that they can be discussed during the course of the next mission.

The provision of water supply to project areas, particularly the new development sites, was also discussed and we understand that proposals for sources of water supply with estimates of off-site infrastructure costs will be finalized prior to the next mission in end-November, 1979.

#### Beneficiary Registration and Selection

It was agreed that steps would be taken as soon as possible to register the existing resident population of the upgrading areas in order to prevent an influx into the project sites of people wishing to benefit from the upgrading scheme as information about the project spreads. Our experience in other countries suggests that this is an important measure in ensuring the speedy execution of the project, and we hope that such a register could be compiled by November 30, 1979.

The mission discussed with the Government the general procedures to be adopted in the selection of project beneficiaries and we understand that detailed procedures are to be spelt out in the consultants final report. These procedures would be based upon the principle of random selection of beneficiaries for the sites and services component from a list of qualified applicants falling within the income ranges suggested in the note submitted to you by the mission. The Housing Bank would scrutinize the list of randomly selected beneficiaries to determine which of these meet its normal lending criteria and therefore would not require any government guarantee. We understand that the Housing Bank and the consultants are now examining the question of whether government guarantees would be provided for the remaining project beneficiaries and, if so, what form these guarantees would take. In this context, we understand that the consultants are examining the suitability of setting up a "guarantee fund" under the project to be used to service debts in default and to be financed through an additional service charge on all beneficiaries.

#### Industrial Development Bank

The on-lending rate for the JD 250,000 project funds to be used by the IDB's small scale industry and handicraft program was discussed by the mission. We understand that the Government is to make a final decision on the on-lending rate prior to the arrival of the next mission in end-November, 1979.

Upgrading in Nadhif and Jena Sites

Upgrading through the legalization of land tenure and other policy measures was proposed for Nadhif and Jena. We understand that the Government will make a final decision prior to the arrival of next mission in end-November 1979, on whether these areas are to be included in the project.

Next Step in Project Preparation

As indicated above, a number of policy decisions need to be taken and technical solutions have to be agreed upon before project appraisal can be completed. We are proposing that these policy decisions be taken prior to the arrival of the next mission scheduled to visit Jordan toward the end of November 1979. We hope that consultant's final report would have been submitted to the Government prior to the arrival of the mission and the Government would have formulated its views on the technical solutions proposed by the consultants to resolve the issues addressed in this letter. We would expect the mission to concentrate primarily on the unresolved questions concerning the appropriate layout plans for the upgrading sites.

I look forward to receiving your views on the above proposals and on the convenience of the timing of the next mission. I also look forward to receiving your views on the timing of the Government's policy decisions and agreement on the technical solutions, since they have important impact on the work of the next mission.

I am sending a copy of this letter to the Lord Mayor of Amman, the Director General of the National Housing Corporation, the General Manager of the Housing Bank and the Undersecretary for the Ministry of Municipal and Rural Affairs for their information.

With best personal regards,

Sincerely yours,



Wolfgang E. Siebeck  
Country Programs Department II  
Europe, Middle East and North Africa Region

PROJECT BRIEF

Sector:	Urban	Date This Brief:	August 31, 1979
Project Code:	5JØRUU01	Date Last Brief:	July 19, 1979
Appraisal Date:	September 9, 1979	Loan Officer:	Emmanuel Njomo
		Project Officer:	Douglas Graham

JORDAN URBAN PROJECT

A. SECTOR CONTEXT

Background

1. Jordan is a highly urbanized country with about two-thirds of its population living in urban areas. Most of the population is concentrated in the Amman Urban Region,<sup>1/</sup> which in 1978 contained 1.25 million (56%) of the total East Bank population of 2.2 million. Within this region, Amman city itself accounted for about 775,000 and Zerqa for about 280,000. The only city of significant size outside the Amman region is Irbid, with an estimated population of 190,000. No other town has a population in excess of 40,000.
2. Population growth has been extremely high (Jordan has one of the highest birth rates in the world), swollen by two waves of migrants-- from Palestine in 1948 and from the West Bank in 1967--only partly offset by the emigration of an estimated 250,000 Jordanians to Saudi Arabia and the Gulf area. Most of the growth has taken place within the Amman Urban Region (average annual growth rate since 1961, 7.0%), in Amman city itself and Zerqa and in the smaller towns within the region such as Ruseifa, Wadi Seir and Suweilih. Provincial towns, other than Irbid which has also experienced rapid growth, have mostly grown at rates close to the national average of 3.2% per annum since 1970.
3. Government hopes to promote growth outside the Amman Urban Region through the implementation of large-scale development projects such as the Potash Project in the Dead Sea area, the Jordan valley irrigation project--Stage II, the phosphatic fertilizer complex in Wadi II near the Port of Aqaba and the expansion of the port itself. But these policies are not expected to slow the growth of the Amman region over the next few years and population of the region is expected to reach 1.9 million in 1985 (or 65% of the total East Bank population of 3.0 million forecast for that year). The first step towards planning the development of the region was taken in 1977 with the establishment of the Amman Urban Region Planning Group (AURPG) which is currently developing physical and economic plans for the region for inclusion in the next Five-Year National Economic Development Plan (1981-1985). The creation of a body to formulate a national housing policy is currently being considered by Government.
4. Rapid population growth has led to considerable overcrowding--often ten to a room--in the wide variety of inadequate housing occupied by some 400,000 people in Amman and Zerqa. Of these, 60,000 are squatters living illegally in poorly built structures with little or no services and no building permits. For the most part, the squatter settlements are located on marginal sites, on steep hillsides or narrow Wadi bottoms. Densities are high--1,000 persons per hectare in some areas. Urban land prices and tenure arrangements,

<sup>1/</sup> Defined as the area within 30 km radius of Amman city center.

planning and building regulations (especially in terms of plot sizes, building forms and service systems), established legal, financial and other institutional arrangements, all combine to deny the low-income population access to reasonable housing at prices they can afford. The above figures do not include about 100,000 people who live in two official UNRWA administered refugee camps in Amman.

5. There are few statistics on income levels in Jordan, other than sample surveys carried out from time to time in squatter areas. The Urban Project consultants' preliminary estimates from their latest survey suggest that about 80% of households in the Amman region have monthly incomes below JD 200 (US\$660)<sup>1/</sup> in 1979 prices. Family incomes in the slum areas covered are mainly in the JD 40-90 (US\$130-300) per month range (see table below) which is at a level corresponding to the lowest 40% on the urban income distribution and has been accepted as the target population for project sites and services. The Bank-defined absolute poverty threshold is JD 62 (US\$205) per household per month (in 1979 prices), and it is estimated that just over 20% of the urban population is below this level (the relative poverty threshold is estimated at JD 44 (US\$145) per household per month). The consultants' estimate of the present overall income pattern is as follows:

<u>Percentile</u>	<u>National Urban (JD)</u>	<u>Amman Slums (JD)</u>	<u>Zerqa Slums (JD)</u>
20	60	40	42
40	96	56	62
60	116	74	78
80	175	112	116

6. The results of the attitudinal survey conducted in the squatter areas indicate a willingness to spend up to 25% of incomes for shelter-related expenditures.<sup>2/</sup> Land ownership emerges as the topmost priority followed by preferences for improved water supply and sanitation. A majority of those living in the slum areas do not wish to move to new locations but wish to improve conditions where they live. The results of the Department of Statistics survey covering over 1,650 households, will provide more information on living conditions and income levels. The results of this survey are now being analyzed and should be available prior to project appraisal in September.

#### Government Policies in the Urban Sector

7. Except for the provision of almost universal primary education, Government intervention in the urban sector in terms of infrastructure provision, housing and housing credit, transport, urban services and health, has mainly benefitted the middle- and upper-income groups. The main feature of Government policy towards the urban poor has been tacit acceptance of illegal occupancy and infringement of building regulations.

8. The lack of a coherent policy to address urban poverty reflects (i) the relatively low priority it has been accorded in the past in relation to other sectors, (ii) the magnitude of the problem in relation to limited government resources, and (iii) its political sensitivity—a high proportion of the urban

<sup>1/</sup> exchange rate, JD 1 = US\$3.3.

<sup>2/</sup> The high figure reflects the relative importance attached to shelter and related services and the fact that irregular sources of income such as remittances from abroad might not be included in the stated income figures.

poor are refugees who nurture the hope of returning to the West Bank or Israel. In addition, Government has had little experience in dealing with problems related to the urban poor. Until recently, the solution was seen in terms of slum clearance and rehousing in subsidized high cost apartment blocks (e.g., the population cleared from Mahatta slum to make way for the penetrator road is currently being rehoused in a 1,000 unit development in Marqa on the eastern fringe of Amman, the cost of which is described in para 10 below). However, it appears that Government is now willing to reexamine its shelter policies and, through the experience to be gained from implementing this project, develop a long-term policy to address the problems of urban poverty. The specific problems that the project would be designed to alleviate are discussed below.

#### Housing and Housing Finance

9. Jordan is facing a substantial urban housing shortage, particularly for the lower income groups in the Amman region. Recent surveys indicate average occupancy in these areas was 6.5 persons per room and rents averaged 25-35% of household incomes. Planned new housing construction under the 1976-80 Development Plan makes no provision for improving existing slum conditions and implicitly assumes a further deterioration since it provides for only 31,000 units out of the estimated 75,000 units required to satisfy new demand during the 5-year period. 7,500 of these units would be built by the public sector (Jordan Housing Corporation) and 23,500 by the private sector which caters mainly to the middle- and upper-income groups. The shortfall would be met by the informal sector, through expansion and further densification of squatter settlements.

10. The principal beneficiaries of the existing public sector program are the middle-income groups, particularly civil servants, who are provided with subsidized housing through the Housing Corporation. By the end of 1978, the Corporation had completed nearly 8,900 units costing JD 31 million (US\$102 million). Its current budget is JD 7.2 million (US\$23.8 million) and it has 1,300 units under construction. It has progressively moved towards the construction of walk-up apartment blocks using industrialized building systems. The cheapest Corporation development in Amman costs about JD 3,200 (US\$10,600) per unit (excluding land) for 75m<sup>2</sup> apartments in three story walk-up buildings, which would only be affordable without subsidy to households with a monthly income of about JD 110 (US\$365) assuming a 20-year loan at 8.5% per annum, and that 25% of income is available for housing); this is above the estimated median household income of about JD 100 per month (US\$330). Subsidies arise from the fact that the Corporation obtains most of its funds from the Central Bank at 4.5% interest rate and on-lends to its clients at 5% over 20 years. Also, Government-owned land is provided free of charge, the costs of land being recovered only if it has to be purchased. The Corporation's running expenses, mainly salaries, are met by Government grants.

11. The main source of housing finance for the private sector is the Housing Bank, formed in 1974, which finances most private and cooperative housing in the country and provides substantial support to the Housing Corporation. The Bank is the main savings institution in the country with 17 branches, a paid-up capital of JD 12 million (US\$40 million) and end-1978 deposits of JD 62 million (US\$205 million). By the end of 1978, the Bank had advanced JD 82 million (US\$273 million) for the construction of some 20,000 units of commercial and residential property, including JD 8.6 million (US\$29 million) on lent to the Housing Corporation for its programs. The lending

terms vary from 4-1/2 to 9%, with individual housing loans at 8.5% for 15 years. Provision exists, however, for a lending period of 20 years. The Bank does not lend for land purchase and requires land ownership as a prerequisite for lending. Generally, more than 30 percent of the loans have been in the range JD 300-500 and building materials loans have been as low as JD 100.

12. The Municipal and Village Loan Fund, which would soon be the beneficiary of a proposed Bank loan currently planned for February 1980 is another source of funding for infrastructure and community facilities but its activities are located primarily in areas outside the Amman Municipality.

### Infrastructure

13. Amman has a well-developed electricity network and is served by an extensive and growing road system. Power is generated by the Jordan Electricity Authority, a government-owned entity and distributed by a private company on a commercial basis. It is estimated that 98 percent of the population of Amman and Zerqa have individual connections which includes most dwellings in the poorer areas; however, the provision of street lighting in these areas is inadequate.

14. Jordan has a severe shortage of water. Average national consumption was estimated at 28 LPCD in 1975 and is expected to rise to 38 LPCD by 1985. In the squatter areas consumption is about 10-15 LPCD. The supply of water is infrequent--once a week in all areas--but upper-income houses have substantial storage facilities and are less affected than poorer areas where most dwellings are only equipped with a 1 m<sup>3</sup> tank. There is no public standpipe system. Households without connections either purchase water from their neighbors or are supplied by water trucks, often spending as much as 15 percent of household income on the purchase of water. Pollution of ground water sources from pit latrines, cesspool waste emptying and refuse pose potential dangers to the existing underground water aquifers. Although long-term schemes are being developed to increase supply, the cost is expected to be high. The long run marginal cost is estimated at JD 0.33 per m<sup>3</sup> (US\$1.09) compared with the present minimum tariff for small domestic consumers of JD 0.06 per m<sup>3</sup> (US\$0.20). This low tariff helps to ensure the access to limited supplies of potable water by the poorest members of the community. The sewerage surcharge is JD 0.05 per m<sup>3</sup> and the sewerage network in Amman is currently being extended with assistance from USAID and the Bank. Unless carefully planned, however, the lack of ample water supply could pose a major problem for waterborne sewerage systems. Consequently, alternative technologies for water supply and, particularly, sanitation and the affordability of alternative design standards for human waste disposal are being studied as part of the proposed project. Outside the capital there are no trunk sewerage systems (other than in the small towns of Salt and Aqaba), but studies are being prepared for the installation of sewerage systems in Irbid, Zerqa and Jerash with the assistance of USAID.

15. The municipalities of Amman and Zerqa are cognizant of the lack of infrastructure services in the slum areas but are hampered by the existing planning, financial, staffing and institutional constraints. However, isolated developments similar to sites and services (as in Emir Hassan district) and improvements to slum areas (such as Nadhif) have been undertaken by the Municipality of Amman in conjunction with the Amman Water Supply and Sewerage Authority and the Jordan Electricity Company. Assistance in the development of the water and sewerage trunk networks in Amman has been provided through three IDA credits, the third of which is currently being implemented.



16. The main slum areas in Amman are Wadi Haddadah, East Wahdat, Wadi Abdoun, Jofeh, Mahatta, Nadhif and Wadi umm er Rimam and Jena'a in Zerqa. Jena'a in Zerqa is perhaps the biggest slum area with about 2,500 dwellings on 25 hectares but relatively well serviced in spite of a high density of 820 persons/hectare. Those in Amman are comparatively small with the largest area being Nadhif (900 dwellings). The total numbers involved, around 60,000 people, are less than originally estimated. In these areas poor access roads, lack of garbage collection, pit latrines, and discharge of sullage to access ways combine to produce poor environmental conditions. Health facilities are poor and few recreation areas are available. Some of the older areas such as Nadhif, where consolidation has taken place, contain housing of reinforced concrete frame and concrete block on two or more stories. In such areas, illegality of land occupation and lack of a building permit prevent residents from obtaining full urban services.

#### Land Prices, Tenure and Building Regulations

17. The current level of urban land prices in Amman region is relatively high. Prices range from JD 1 to JD 40 (US\$3-130) per square meter for unserviced land in undesirable locations to prime land in the select new western suburbs. Poorly serviced land in the slums such as Abdoun and Wadi Haddadah costs JD 5-10 per square meter. Urban land ownership is largely private, while in rural areas land is largely state-owned but subject to customary right of use. There is little state land in Amman region available for housing.

18. The squatter settlements are mainly on private land, but Government has, for political reasons, taken no action to enforce evictions. Some sales of land to individual households have taken place through illegal subdivision of private lots.

19. Government and Municipalities have wide expropriation powers with compensation being settled at market value. Municipalities are empowered to acquire land for public purposes at a 25 percent cost reduction to allow for the investment in infrastructure. As interpreted, the definition of public use does not include housing and within this context there is at present some difficulty in expropriating land, subdividing it and granting tenure for individual ownership.

20. Building regulations are largely designed for development control. Plot sizes of 1,000, 800, 500 and 300 square meters are the only sizes permitted, though frequent exemptions are granted to public agencies. New proposals for a building code are presently being developed by the Amman Municipality. In recognition of the pressures of urban development and land cost, a lower minimum "popular" plot size of 150 square meters to be adopted shortly in Amman is awaiting royal assent. Achievement of objectives under this project will have a great bearing on the adoption of even smaller plot sizes.

#### Social and Community Facilities

21. The squatter settlements have no social or community facilities in situ but have varying degrees of access to those provided elsewhere by the state and by UNRWA in the official refugee camps. Education is widely available, although schools are overcrowded, working on a two-shift system and frequently in unsuitable rented premises. Health and welfare centers are less widespread; although 5 of the 7 health centers in Amman serve the poorer eastern area of the city.

### Municipal Services

22. The services falling under municipal responsibility in Jordan include garbage collection, road maintenance and construction, building regulations, land use planning and allocation, traffic control, water distribution and sewerage. In Amman, these last two responsibilities are now performed by the semi-autonomous Amman Water and Sewerage Authority (AWSA). Apart from the water and sewerage deficiencies described in previous paragraphs, garbage collection is the municipal service most lacking in the squatter areas. Although the Municipality of Amman has recently commenced issue of polythene bags to the low-income and commercial areas to improve garbage collection, large quantities of refuse are still uncollected and represent a serious health hazard. The whole system of garbage collection and treatment in Amman is currently under study by consultants. The results of this study will be available to assist in defining a possible solid waste component for the slum areas in the proposed urban project.

### Employment Generation

23. Despite continued rapid economic growth and shortage of skilled labor, there are still serious problems of low productivity and structural unemployment and underemployment, particularly amongst the unskilled workers living in the squatter areas. Female participation in the labor force is very low (4%) and there is considerable scope for, and interest in, developing more jobs for women, encouraged by the recently formed Ministry for Women. The Industrial Development Bank has successfully established a small-scale industry and handicrafts program and the recently formed Vocational Training Corporation has a growing on-the-job training program for school leavers. Both of these provide a basic framework for further productivity improvements under the project.

### Public Transport

24. The Amman region is served by bus and taxi and an extensive modern road network. Car ownership is relatively low at 26 vehicles per 1,000 population. The transport needs of the urban poor appear to be limited due to the fact that most live near the CBD and main employment areas. Transport in the region is to be the subject of a study by consultants financed by the Government under terms of reference reviewed by Bank staff.

### Other Bank Projects in the Urban Sector

25. Bank/IDA funds have been lent to Jordan for a series of urban related projects in the water supply and sewerage and education fields. Upcoming projects include the third education project, which concentrates mainly on provincial centers, and the Municipal and Rural Development Bank (MRDB) project which aims at developing the MRDB as an effective lender for infrastructure and productive projects located primarily in smaller towns and rural areas.

### Bank Strategy in the Urban Sector

26. Bank strategy in the urban sector has so far aimed at improving physical conditions in the main city (Amman) through the provision of improved water supply and sewerage services. The objective of this project should be to extend this process to the provision of housing facilities and more importantly, to influence Government shelter policies towards the urban poor through the example of a

successful self-supporting slum improvement and sites and services project, which could be replicated in other town and cities where similar needs are known to exist.

## B. THE PROJECT

### Identification and Preparation

27. The project was identified in August 1977. Since then, there have been three project preparation missions in February 1978, February 1979 and May 1979, followed by a preappraisal mission in July 1979. Project preparation by consultants, financed by the Jordanian Government, commenced in February 1979. The consultants have prepared two interim reports presented in May and July 1979 respectively, and a draft final report is due in September 1979.

### Objectives

28. The primary objective of the project is to demonstrate the feasibility of providing shelter and related infrastructure and community facilities to the lower income groups at prices which they can afford with a minimum of subsidies, thereby enabling full cost recovery to ensure replicability. The project would also provide for improvements in productivity among the urban poor through the provision of loans to viable small enterprises and vocational and commercial training to their employees. This project is seen by the Bank and the Government as the beginning of a longer-term program to provide for shelter- and employment-related needs of the poorer urban dwellers. It will assist Government in developing policies more responsive to these needs both in the allocation of public investment and the official approach to urban planning.

### Components

29. The project would consist of the following components:

(a) Slum Improvements:

(i) Land tenure, plot demarcation, infrastructure, building permits and material loans in four settlements in Amman, namely Jofeh, Wadi Haddadah, East Wahdat and Wadi umm er Rimam, affecting about 1,500 households or 12,500 people.

(ii) Land tenure, plot demarcation, building permits and other policy measures only in two further squatter settlements, namely Nadhif in Amman and Jena'a in Zerqa, affecting an additional 3,300 households or 28,000 people.

(b) Sites and Services:

5,000 serviced units with a range of infrastructure services and on-plot construction on four sites in Amman and its periphery, namely Ruseifa, Quweisime, Marqa and Sahab affecting about 42,000 people.

(c) Community Facilities:

Elementary and preparatory schools and health clinics would be developed as required in conjunction with the Ministries of Education and Health which have planning and operational responsibilities in the respective fields.

This would take into account existing facilities near some of these sites which now accommodate some of the squatter population and, in the field of education, benefit from the results of a national school mapping exercise which is being used by the Ministry of Education to determine priorities for school improvement. Mosques and other community facilities would also be provided as appropriate.

(d) Employment Generation:

The provision of serviced residential sites upon which a limited amount of retail and manufacturing activity would be permitted, other sites for small workshops and shops with or without on-plot development, vocational training and credit facilities will focus on improving the productivity and earnings of the target population. A special emphasis will be placed on increasing the level of female participation in the labor force through the provision of appropriate vocational training and use will be made wherever possible of existing schemes and institutions operating in this field.

(e) Technical Assistance:

This component would assist the Government in the implementation and maintenance of this project, the development of a longer-term strategy response to the problem of inadequate urban housing and infrastructure services and the preparation of any policies or future projects which may form part of this strategy. The provision of consultant and advisory services to the implementing agencies, in particular the Municipality of Amman which suffers from a serious shortage of trained personnel, is initially envisaged.

Site Description

Upgrading

30. The four sites selected for primary upgrading under the project are all fairly centrally located and two, Wadi Haddadah and East Wahdat, are adjacent to UNRWA refugee camps and make extensive use of the social and commercial facilities there. The level of infrastructure and services, housing conditions and the socio-economic structure of the population vary widely from site to site, with East Wahdat representing perhaps the worst urban housing conditions in Jordan. In general, however, these areas share the problems of extensive overcrowding, dangerously unsanitary sewage disposal, inadequate water supply and poor quality buildings. A detailed physical survey of these sites is now being carried out by the consultants to determine the exact requirements and potential of each site. The figures in Table 1 below give preliminary estimates of the size and population of these sites.

31. Nadhif (in Amman) and Jena'a (in Zerqa), the two areas selected for upgrading through policy measures only, are relatively better serviced and have more substantial buildings. Nadhif is already being upgraded by the Municipality of Amman and Jena'a has been deferred until the completion of a planned USAID study of the sewerage network in Zerqa. The measures proposed include security of tenure, plot demarcation where necessary and regulating construction vis-a-vis municipal building regulations. These measures would provide a basis for further improvements carried out by the residents, either from their own resources or with the assistance of the Housing Bank under its normal lending policy.

Table 1: UPGRADING: DISTRIBUTION OF SITES

<u>Site</u>	<u>Size in ha.</u>	<u>No. of Dwellings</u>	<u>Population</u>
<u>Primary</u>			
Jofeh	3.0	300	2,500
Wadi Haddadah	5.5	600	5,050
East Wahdat	8.0	275	2,300
Wadi umm er Rimam	<u>3.0</u>	<u>325</u>	<u>2,750</u>
Total Primary	<u>19.5</u>	<u>1,500</u>	<u>12,600</u>
<u>Policy Only</u>			
Nadhif	6.5	900	7,300
Jena'a	<u>25.0</u>	<u>2,440</u>	<u>20,500</u>
Total Policy Only	<u>31.5</u>	<u>3,340</u>	<u>27,800</u>
Total Upgrading	<u>51.0</u>	<u>4,840</u>	<u>40,400</u>

New Developments

32. Site selection for residential areas has been complicated by high land prices and uncertainty over the existence of suitable Government land in or adjacent to Amman. Three of the four sites finally selected are located at some distance from the city center and the remaining one suffers from poor access. Nevertheless these disadvantages are more than outweighed by the resulting low land cost which is an essential prerequisite of the cost recovery that will enhance the project's replicability. These sites are located in proximity to local employment and social opportunities thereby minimizing the risk of low takeup. The following distribution of plots is currently envisaged for the new developments.

Table 2 : SITES AND SERVICES: DISTRIBUTION OF PLOTS

<u>Site</u>	<u>Available Area (ha)</u>	<u>No. of Plots</u>
Ruseifa (Government land)	17.5	900
Quweisime	47.5	2,000
Marqa	23.0	1,200
Sahab	<u>20.0</u>	<u>1,000</u>
Total	<u>108.0</u>	<u>5,100</u>

33. Site boundaries for the first three developments have been identified and agreed upon, but there is still some uncertainty over the site of Sahab where the Government would like to use cheaper publicly-owned land which the consultants, have so far been unable to identify. If this government land cannot be identified, the development at Sahab may be omitted, but this will not alter the size of the project or affect project costs significantly as the

Quweisima site can be easily expanded onto adjacent Government-owned land. A final decision on this is expected before project appraisal.

#### Improvement Standards and Affordability

34. It has been accepted that new and improved infrastructure and shelter provision in both the improvement areas and the new sites should be commensurate with the ability to pay of the beneficiaries. In this context, the high prevailing level of land prices coupled with the reluctance of Government to provide "sub-standard" accommodation posed some problems in the initial stages of project preparation. Progress has now been made on both fronts with the identification of cheaper land by the consultants and the acceptance by Government of the need to reduce standards to affordable levels. Infrastructure levels have also been pared down and they now consist largely of footpath access, unsurfaced roads and pour flush toilets with group septic tanks.

35. The consultants have carried out detailed affordability analysis for the sites and services component using costs and layouts for the proposed site at Ruseifa. This analysis is being modified by the consultants to take into account the decisions of the Steering Committee, reached during the course of the last mission, to lower the minimum standards of on-plot development. On the basis of this analysis it can be shown that if the larger residential plots are disposed of at market prices and the revenues thus generated used to reduce land costs (and therefore plot charges) for the smaller, and particularly the poorly sited smaller residential plots, the range of project beneficiaries may be extended downwards to households earning JD 35 (US\$115) per month (equivalent to the 7th urban household income percentile).

36. These results are presented in Table 3 below from which it can also be seen that half of the project's sites and services beneficiaries have incomes below JD 62 (US\$205) (the absolute urban poverty threshold for Jordan); 70 percent of the beneficiaries are households from the bottom quarter of the national urban income distribution; and 80 percent are from the bottom 40% of urban households. These facts mitigate to some extent the relatively high level of unit costs that are incurred for project provided housing. For the sites and services component these costs average JD 2,270 (US\$7,500) per household for land, on and off-site infrastructure, on-plot development and community facilities).<sup>1/</sup> There are two main reasons for this. First, the cost of land is very much higher in Jordan than in most other countries where the Bank has assisted in low cost urban housing projects; and second, the minimum plot size and the average level of on-plot development acceptable to the Jordanian Government is somewhat higher than the norm in urban projects. The detailed investigation of land prices in project areas currently being carried out by the consultants will enable more precise estimates of these costs to be made during appraisal. Information available to date suggests that actual prices will turn out to be lower than estimated. The appraisal mission will also reexamine the basis of the cost estimates for infrastructure and on-plot development and will review with Government the distribution and numbers of large plots (144 and 300m<sup>2</sup>), with a view to reducing their numbers and bringing down the average unit cost. As previously mentioned (para 34),

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<sup>1/</sup> As compared with about \$4,500 in Tunis and \$7,000 in Rabat.

Table 3: SITES AND SERVICES: AFFORDABILITY ANALYSIS

Plot Type	Number	Cost of land and infrastructure (JD) Land JD7 per m <sup>2</sup> Infrastructure JD 4 per m <sup>2</sup>	Cost of land and infrastructure + on plot development (JD)	Price of plot and superstructure (JD) (Total Site Price)	Building Loan (JD)	Affordable to households with monthly income of JD	Corresponding position on urban income distribution	% of project beneficiaries	Revenue from sales of plots JD ('000)	Cost of plots JD ('000)	Surplus (+) or Deficit (-) JD('000)	Implied cost of land and infrastructure assuming full recovery of superstructure costs JD/m <sup>2</sup>
101m <sup>2</sup> f.p. access SC only	750	1095	1495	1005	Up to 300	35/46	7/9	15	753.75	1121.25	-367.50	6.0
101m <sup>2</sup> f.p.a. SC+1R	1750	1095	1945	1505	Up to 250	53/61	11/19	33	2633.75	3403.75	-770.00	6.5
101m <sup>2</sup> f.p.a. SC+2R	1000	1095	2345	2060	n11	71	23	20	2060.00	2345.00	-285.00	8.0
101m <sup>2</sup> r.a. SC+2R	450	1095	2345	2560	n11	88	38	9	1152.00	1055.25	+ 96.75	13.0
144m <sup>2</sup> r.a. SC+2R	250	1560	2810	3410	n11	115	61	5	852.50	702.50	+150.00	15.0
144m <sup>2</sup> r.a. Site only	550	1561	1561	2448	n11	Market		11	1346.40	858.55	+487.85	17.0
300m <sup>2</sup> r.a. Site only	250	3252	3252	6000	n11	Disposal		5	1500.00	813.00	+687.00	20.00

Codes : f.p.a. = footpath access  
 r.a. = road access  
 SC = sanitary core unit only  
 SC+1R = sanitary core and one room  
 SC+2R = sanitary core and two rooms

Total Recoverable Cost = JD10,299,300  
 Total Repayments = JD10,298,400  
 Net Program Surplus = (-)JD 900

- Affordability calculations based on a maximum of 25% of household income being spent on housing with a 100% mortgage at 8.5% over 20 years.
- For the first three plot types, the two income levels presented are based on households who do not/do use the building loan offered.
- The building loan offered is based on self help construction costs being about 2/3 of contractor costs.

considerable progress has already been made in persuading Government to accept lower standards that are affordable to the target beneficiaries, but this has now reached a point below which Government is very unlikely to move at the present time. There seems little scope, therefore, for significantly altering the minimum levels of plot sizes and on-plot development insisted upon by the Government, reflecting its awareness that it cannot control on-plot development. Experience in similar projects in Amman indicates that beneficiaries are likely to develop their plots intensively for multi-family occupation, which will further improve affordability (although no account is taken of this in the above affordability analysis which is based on single family occupancy with 8.4 persons per household). In addition, a very high proportion of project costs are recovered. For the sites and services component, 87% of total costs are recovered directly from beneficiaries in the form of plot charges, the balance being for community facilities and off-site infrastructure. Finally, the proposed project is seen both by the Bank and the Government as a first step in formulating an overall strategy response to the (even more than usual) politically sensitive problem of shelter provision for the urban poor.

37. The consultants' plan to similarly analyze the affordability of the upgrading component but, as indicated above, they are awaiting the results of the physical surveys of the upgrading sites that are to be carried out. The Government has agreed that the standards of infrastructure and services provided will be in accordance with those affordable by the present residents. On the basis of preliminary information supplied by the consultants it can be shown that the repayments for the average 60m<sup>2</sup> upgrading plot will account for 12% of median slum household income without a building loan and 16% with a building loan. (Table 4).

Table 4: AFFORDABILITY OF UPGRADING

	<u>JD</u>
Land at JD 10/m <sup>2</sup> for 60 m <sup>2</sup>	600
Infrastructure, administration	<u>320</u>
	<u>920</u>
Building loan	<u>300</u>
	<u>1220</u>
Median monthly slum household income (1979)	65
Monthly payment required @ 8.5% over 20 years	
(i) for 920	8.0
(ii) for 1220	10.6
Monthly payment as a % of median household income	
(i) for 920	12.3
(ii) for 1220	16.3

Project Costs

38. Preliminary estimates of project costs, inclusive of physical contingencies, are indicated below:



US\$ million

(a) <u>Upgrading</u> four squatter settlements in Amman, affecting 1,500 households and legalizing developments in two larger, more established slums affecting an additional 3,300 households.	8.1
(b) <u>Sites and Services</u> - development on four sites in Amman and its periphery for 5,000 households.	35.5
(c) Social Services - health, education and community facilities.	<u>3.2</u>
(d) <u>Employment Generation</u> - Workshops, shops, credit and vocational training.	4.0
(e) <u>Technical Assistance.</u>	<u>2.5</u>
TOTAL Project Cost	<u>52.3</u>

The foreign exchange component of the project is estimated at about US\$20 million.

Financing

39. The financing plan is yet to be determined, but it is expected that Bank finance would equal the foreign exchange component. The Housing Bank has indicated its willingness to participate in the project. Subject to certain guarantees by the Government, the Housing Bank's participation could amount to one-third of total project costs with remaining funds being provided by the Government.

Implementation

40. Project implementation is expected to take about three years from loan effectiveness. Jordan has a well-developed local construction industry and there are no serious material resource constraints. A shortage of skilled labor may be anticipated but will not be such as to jeopardize the project. The institutional arrangements for project implementation have been agreed in general terms and the consultants are formulating a detailed implementation plan for consideration during appraisal. The agencies likely to be involved are the Municipality of Amman (for the upgrading component), the Housing Corporation (for new developments), the Housing Bank (as a financial intermediary) and the Industrial Development Bank (for the employment generation component).

Issues

41. A considerable amount of technical work needs to be completed before project appraisal. In particular:

- (i) the physical surveys of at least one upgrading and one new development site need to be completed to enable the consultants to draw up preliminary engineering cost estimates;
- (ii) an institutional plan for project implementation needs to be finalized and the capacities and staffing needs of relevant institutions assessed;

- (iii) detailed affordability analysis of the slum upgrading sites needs to be carried out in the light of the revised cost figures generated by the physical surveys in (i) above and a range of upgrading options developed.

42. Physical Surveys. The consultants' First Interim Report pointed out the need to commission physical site surveys which, given the steep slopes and uneven topography of the proposed sites, were considered necessary to develop preliminary engineering cost estimates. This point was further emphasized by the Bank both during the course of a previous mission and in a subsequent letter to the Government. It is understood (telex from the consultants of August 28) that these surveys have now started on an unofficial basis.

43. Institutional Arrangements. As indicated in para 40 above the institutional arrangements for project implementation have been agreed in general terms and the consultants are to formulate and recommend a detailed institutional plan for consideration during appraisal. This entails an assessment of the capacities and staffing needs of the Municipality of Amman, the Housing Corporation, the Housing Bank, the Industrial Development Bank and possibly, the Vocational Training Corporation. In the case of the Housing Bank and the Industrial Development Bank, two institutions which may receive subsidiary loans under the project, assessments of financial viability and ten-year source and application of funds forecasts will be made during appraisal and the financial viability of the Housing Corporation as an executing agency will also be investigated.

44. In addition, the staffing needs and responsibilities of a project management unit have to be clarified. The Government has tentatively decided to appoint two project managers; one, in the Municipality of Amman, responsible for upgrading and the other, in the Housing Corporation, responsible for new developments. In addition a full-time project coordinator is also envisaged with responsibility for the overall coordination of project-related activities with other government agencies and the Bank. The delineation of the respective roles, responsibilities and authority of these units needs to be completed. The last Bank mission stressed upon the Government the benefits of appointing a full-time project manager prior to the completion of the consultants' work in October.

45. Affordability of Upgrading. The consultants' plan to carry out detailed affordability analysis of the upgrading sites has been delayed, in part, by the lack of physical survey information. However, they also have some way to go towards formulating a detailed slum improvement strategy in which a range of carefully tailored options are offered to maximize the final level of improvements and yet remain affordable to the various income groups of existing residents. High land costs (of up to \$35/m<sup>2</sup>) make affordability a prime constraint. Differential land pricing may be used to circumvent this difficulty but this will have to proceed hand-in-hand with a graded provision of improved services if the project is seen to be fair and is to be successful. The consultants propose to develop preliminary engineering and cost estimates for the upgrading component by the time of appraisal.

46. Land Acquisition. The mission raised with the Government the question of land acquisition for the project and was assured that this would not create any delays in project implementation as, under existing laws, the physical

execution of the project could proceed prior to the formal transfer of land title. The procedures to be followed and a program for acquisition of the project sites are being worked out by the consultants for review during appraisal. Acquisition of the sites may be recommended as a condition-of negotiations. The consultants are in the process of finalizing their recommendations regarding any changes in building regulations, municipal laws, etc., that may be required for effective implementation.

47. Interest Rates. It had initially appeared that Government might insist on subsidized on-lending rates to beneficiaries similar to those being offered by the Housing Corporation (4-1/2 to 5%). However, the proposed rate of 8.5% now appears to be acceptable to Government. This rate is similar to the rate being offered by the Housing Bank for private and cooperative housing developments and is considered appropriate for cost recovery from beneficiaries. Past and projected rates of inflation in Jordan are as follows:

1976	11.5%	Actual
1977	14.5%	Actual
1978	7.0%	Estimated
1979	8.5%	Projected
1980	8.5%	Projected
1981	8.0%	Projected

48. Unit Costs. The issue of the high unit costs of the sites and services component is discussed under project affordability in para 36 above.

#### Processing Schedule

49. The consultants' Second Interim Report was presented to the Government on July 14, 1979. Their draft final report is due by September 30, 1979 and the project is scheduled to be appraised from September 8-30. Thereafter, the schedule is as follows:

Yellow Cover Appraisal Report	November 1979
Negotiations	January 1980
Board Presentation	March 1980

In view of the status of preparation, a follow-up appraisal mission may be required before negotiations. The project is currently programmed for FY81, with a low 2/1 probability rating for the above schedule.

Prepared By: Douglas Graham/Masood Ahmed  
Reviewed By: Emmanuel Njomo

Cables

Class of Service: TELEX Date: OCTOBER 26, 1979

Telex No.: 881 1763 HALFOXG Originators Ext: 75281 or 74278

TO  
HERE

1 TO DAVID WALTON, 97-99 BOROUGH HIGH STREET (HALCROW FOX AND ASSOC.)

CITY/COUNTRY

LONDON, ENGLAND

MESSAGE  
NO.:

4 RE JORDAN URBAN PROJECT. MANY THANKS FOR UPGRADING REPORT AND  
5 PROJECT COST TABLES AND FOR YOUR TELEX OF OCTOBER 25. HAPPY TO  
6 NOTE THAT PROGRESS HAS BEEN MADE ON UPGRADING AND LOOK FORWARD  
7 TO RECEIVING YOUR DRAFT FINAL REPORT IN IMMEDIATE FUTURE. IN THE  
8 INTERIM PLEASE CLARIFY BY TELEX OR PHONE FOLLOWING QUERIES.  
9 AAA RE COSTS OF CONSTRUCTION OF COMMERCIAL FACILITIES. TOTAL COSTS  
10 OF CONSTRUCTING SHOPS AND WORKSHOPS AS INCLUDED IN COST TABLES  
11 SENT THROUGH KEITH DENHAM SUBSTANTIALLY EXCEED THE FIGURES AGREED  
12 DURING PREVIOUS MISSION WITH RB BY JD 46700 FOR SHOPS AND JD  
13 JD 106700 BY WORKSHOPS. HOW HAVE PROPOSALS BEEN MODIFIED TO RESULT  
14 IN THIS DIFFERENCE? BBB RE UPGRADING SITES. DIFFERENCE BETWEEN  
15 NUMBERS OF EXISTING AND PROPOSED PLOTS ON EACH SITE DOES NOT TALLY  
16 EITHER WITH NUMBERS OF DWELLINGS DEMOLISHED OR WITH NUMBER OF  
17 EXISTING PLOTS BELOW 50 MSQ. PLEASE CLARIFY FOR EACH SITE WHAT  
18 PROPORTION OF EXISTING PLOTS ARE DEMOLISHED, AMALGAMATED OR  
19 RETAINED TO ARRIVE AT PROPOSED NUMBER OF PLOTS AND HOW MANY FAMILIES  
20 DISLOCATED AS A RESULT OF YOUR PROPOSAL. CCC COSTS COSTS CONSTRUCTION  
21 OF ROADS IN PROJCT AREAS AS INCLUDED IN COST TABLE EXCEED AGREED  
22 FIGURES DURING PREVIOUS MISSION. IS THIS RESULT OF REVISED LENGTH

END  
OF  
TEXT

NOT TO BE TRANSMITTED

SUBJECT:  
JORDAN URBAN DEVELOPMENT PROJECT  
CLEARANCES AND COPY DISTRIBUTION:

DRAFTED BY:  
MASOOD AHMED? DOUGLAS GRAHAM:mnc  
AUTHORIZED BY (Name and Signature):

DEPARTMENT:

SECTION BELOW FOR USE OF CABLE SECTION  
CHECKED FOR DISPATCH

**WORLD BANK OUTGOING MESSAGE FORM (Telegram, Cable, Telex)**  
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Class of Service: TELEX Date: OCTOBER 26, 1979  
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10

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1 START  
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~~ESTIMATES OR IMPROVED STANDARDS INCLUDING PAVING OF ALL ROADS  
ON PROJECT SITES. DDD NEXT MISSION TENTATIVELY SCHEDULED FOR  
TEN DAYS STARTING NOVEMBER 28. IMPORTANT YOU AND BROCKMAN BE  
IN JORDAN DURING MISSION. REGARDS, DOUGLAS~~

**NOT TO BE TRANSMITTED**

SUBJECT:	DRAFTED BY:
JORDAN URBAN DEV. PROJECT	MASOOD AHMED, DOUGLAS GRAHAM:mmc
CLEARANCES AND COPY DISTRIBUTION:	AUTHORIZED BY (Name and Signature):
cleared with and cc: ENjomo	SVEN SANDSSTRÖM, CHIEF
	DEPARTMENT:
	URBD2
	SECTION BELOW FOR USE OF CABLE SECTION
	CHECKED FOR DISPATCH

WORLD BANK OUTGOING MESSAGE FORM (Telegram, Cable, Telex)  
IMPORTANT (PLEASE READ INSTRUCTIONS BELOW BEFORE TYPING FORM.)

Class of Service: **TELEX** Date: **October 19, 1979**  
Telex No.: **1381 JOUZY JO** Originators Ext: **73959**

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START  
1 HERE TO

**DAVID WALTON**

CITY/COUNTRY

**AMMAN, JORDAN**

MESSAGE NO

**MANY THANKS FOR YOUR LETTER AND ENCLOSED REPORT ON UPGRADING.**

4

**BEFORE DEVELOPING UPGRADING COMPONENT AND EVALUATING PROPOSALS**

5

**FURTHER WE WOULD NEED A DISTRIBUTION OF PLOT SIZES FOR WADI**

6

**RIMAM, JOFEH AND EAST WAHADAT SIMILAR TO YOUR TABLE FOR WADI**

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**HADDADAH ON PAGE 28 OF REPORT. IF THIS INFORMATION IS NOT**

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**AVAILABLE PLEASE TELEX THE ESTIMATED PROPORTION OF PLOTS**

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**BELOW 50 SQ METERS WHICH WOULD BE AFFECTED DIRECTLY BY YOUR**

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**PROPOSAL AND NUMBER OF FAMILIES DISPLACED THROUGH PLOT CLEARANCE**

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**AND CONSOLIDATION. REGARDS, DOUGLAS.**

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NOT TO BE TRANSMITTED

SUBJECT:

**Jordan: Urban Development**

CLEARANCES AND COPY DISTRIBUTION:

**cc: D.Graham, Pellegrini,  
Assimakopoulos, Rathnam,  
Gilmore (consultant)**

DRAFTED BY:

**Mahmed:sa**

AUTHORIZED BY (Name and Signature):

**Sven Sandstrom, Chief, URBD2**

DEPARTMENT:

**Urban Projects**

SECTION BELOW FOR USE OF CABLE SECTION  
CHECKED FOR DISPATCH

DRAFT

MAhmed:sa

8/21/79

LT

DR. HANNAH ODEH  
PRESIDENT NPC  
AMMAN

RE URBAN PROJECT. ALPHA RECENT BANK PREPARATION MISSION REPORTS GOOD PROGRESS ON DEVELOPMENT OF SITES AND SERVICES COMPONENT. WE ARE PLEASED TO LEARN OF STEERING COMMITTEE'S REVISED DECISION ON MINIMUM STANDARDS OF ON PLOT DEVELOPMENTS FOR NEW SITES WHICH WILL ENABLE NEW DEVELOPMENT BENEFITS TO REACH LOWEST INCOME GROUPS.

BETA WE ARE CONCERNED HOWEVER BY THE CONTINUED DELAY IN THE COMMISSIONING AND EXECUTION OF PHYSICAL SITE SURVEYS AS INDICATED IN THE CONSULTANTS TELEX DATED . WE WOULD APPRECIATE YOUR ADVISING US OF CURRENT STATUS OF SURVEY PREPARATION AND EXPECTED DATE OF THEIR COMPLETION. PROJECT APPRAISAL IS SCHEDULED AS AGREED FOR SEPTEMBER 8-28 BUT SATISFACTORY APPRAISAL OF SLUM UPGRADING COMPONENT REQUIRES RESULTS OF PHYSICAL SITE SURVEYS.

GAMMA IF PHYSICAL SURVEYS CANNOT BE COMPLETED BEFORE SEPTEMBER 8 WE WOULD PROPOSE THAT PROJECT BE APPRAISED IN TWO STAGES. FIRST MISSION IN SEPTEMBER WOULD APPRAISE THE NEW DEVELOPMENT SITES, AND THE EMPLOYMENT GENERATION COMPONENT OF THE PROJECT AND WOULD ASSIST IN FURTHER PREPARATION AND DETAILED PLANNING FOR THE RANGE OF UPGRADING SERVICES TO BE PROVIDED UNDER THE PROJECT. THE UPGRADING SITES WOULD THEN BE APPRAISED DURING A FOLLOW UP MISSION TENTATIVELY SCHEDULED FOR DECEMBER.

DELTA IF THE ABOVE IS AGREEABLE TO YOU, YOU MAY CONSIDER THE EXTENSION OF THE CONSULTANTS PRESENT CONTRACT UP TO DECEMBER TO ENABLE THEM TO SATISFACTORILY PREPARE THE REMAINING PROJECT COMPONENTS AND INCORPORATE THE ADDITIONAL INFORMATION GENERATED BY THE PHYSICAL SURVEYS. DURING



THE COURSE OF THE SEPTEMBER MISSION WE WOULD HOPE TO REVIEW WITH THE CONSULTANTS THEIR DETAILED PROPOSALS FOR THE RANGE OF INFRASTRUCTURE AND ON SITE SERVICES TO BE PROVIDED UNDER THE SLUM UPGRADING COMPONENT. WE FULLY SUPPORT THE GOVERNMENT'S INTENTION TO ENSURE THE AFFORDABILITY OF THE UPGRADING SITES TO THEIR EXISTING RESIDENTS AND HOPE THAT THE CONSULTANTS PROPOSALS WILL PROVIDE FOR A RANGE OF SERVICES AND INFRASTRUCTURE IMPROVEMENTS COMMENSURATE WITH THE VARYING INCOME LEVELS OF THE EXISTING RESIDENTS. EPSILON THE CONSULTANTS MAY ALSO TAKE THIS OPPORTUNITY TO DEVELOP IN DETAIL AN INSTITUTIONAL PLAN THAT WILL ENSURE SPEEDY AND EFFECTIVE PROJECT EXECUTION. WE LOOK FORWARD TO RECEIVING YOUR VIEWS ON THE ABOVE AS SOON AS POSSIBLE. REGARDS, SVEN SANDSTROM, CHIEF, DIVISION 2 URBAN PROJECTS DEPARTMENT

WORLD BANK OUTGOING MESSAGE FORM (Telegram, Cable, Telex)  
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Class of Service: **TELEX** Date: **July 30, 1979**  
Telex No.: **1381 JOUZY JO** Originators Ext: **72108**

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**1381 JOUZY JO**

**AMMAN, JORDAN**

~~FOR ROY BROCKMAN ALPHA CURRENT BANK GUIDELINES FOR ANNUAL PRICE~~  
ESCALATION 1979 TO 1985 ARE EQUIPMENT SIX PERCENT AND CIVIL WORKS  
SEVEN PERCENT. PLEASE USE THESE FIGURES IN PROJECT COST ESTIMATES  
UNLESS LOCAL CONDITIONS INDICATE OTHERWISE. BETA FOR URBAN  
POVERTY THRESHHOLD RECALCULATION AAA MISSING ITEM ON WORKSHEET  
FOODBASKET IS LENTILS BBB SOURCE OF FOODBASKET INFORMATION IS 1968  
DOS SURVEY OF FAMILY EXPENDITURE AND COST OF LIVING FOR CIVIL  
SERVANTS CCC PRICES AND AMOUNTS CONSUMED ARE AGGREGATED FOR  
INDICATED SUBGROUPS BUT DESIRABLE THAT RECALCULATION USE MORE  
DETAILED CATEGORIES WHERE POSSIBLE. GAMMA RE AFFORDABILITY  
CALCULATION AND FLOW OF FUNDS STATEMENT FOR PROJECT PLEASE PROCEED  
ACCORDING TO OUR DISCUSSIONS WITH AAA AFFORDABILITY CALCULATIONS  
IN 1979 PRICES AND EXCLUDING PRICE CONTINGENCIES BBB FLOW OF FUNDS  
STATEMENT TO INCLUDE PRICE CONTINGENCIES CCC CASH FLOW STATEMENT  
FOR PROJECT IMPLEMENTING AGENCIES TO INCLUDE BOTH PRICE CONTINGENCIES  
AND INTEREST DURING CONSTRUCTION DELTA PLEASE ADVISE UPON  
COMMENCEMENT OF PHYSICAL SURVEYS FOR JOFEH AND QUWEISMA. REGARDS,  
AHMED, URBAN PROJECTS DEPARTMENT

NOT TO BE TRANSMITTED

SUBJECT:  
**Jordan, Slum Upgrading**  
CLEARANCES AND COPY DISTRIBUTION:

DRAFTED BY:  
**MAhmed:sa**  
AUTHORIZED BY (Name and Signature):  
**A.Pellegrini, Acting Chief, URBD2**  
DEPARTMENT:  
**Urban Projects**  
SECTION BELOW FOR USE OF CABLE SECTION  
CHECKED FOR DISPATCH

MR. AHMED

72579

4/17/79

FINANCE

LILONGWE, MALAWI

FOR KALINGA RE MANPOWER SURVEY. PRIMO END APRIL AVAILABILITY OF  
SAMPLE FIRMS BY SIZE AND INDUSTRY GROUP WOULD BE SATISFACTORY.  
WOULD YOU KINDLY SEND US INFORMATION BY TELEX SO THAT WE CAN  
ARRANGE TO HAVE POST ENUMERATION SURVEY SAMPLE DRAWN. SECUNDO  
DUE TO AHMED'S OTHER COMMITMENTS IT WOULD BE DIFFICULT TO POSTPONE  
BEGINNING HIS MISSION TO MALAWI UNTIL JUNE. AS ALTERNATIVE EYE  
WOULD SUGGEST HIS MISSION NOW COMMENCE AROUND MAY FIFTEENTH BUT  
THAT IT COULD BE EXTENDED INTO EARLY JUNE IF REQUIRED. PLEASE  
ADVISE IF THIS IS ACCEPTABLE. REGARDS MCCLEARY

MALAWI: Manpower Survey

W.A. McCleary  
WAMcCleary/Ahmed/si

cc: Mr. Madinga  
Mr. Pennisi

William A. McCleary, Sr. Economist

EA1DB

TELEX  
22022

APRIL 4, 1979  
72475

INTBAFRAD

NAIROBI, KENYA

FOR VOGEL FOR TRANSMITTAL TO JUDY EDSTROM. MALAWI GOVERNMENT IS CONDUCTING A SURVEY OF ALL WAGE EMPLOYERS AS A BASIS FOR PROJECTING THE DEMAND AND SUPPLY OF SKILLED MANPOWER IN MALAWI IN THE 1980'S. THIS ANALYSIS IS SIMILAR IN METHODOLOGY AND CONTENT TO 1971 MALAWI MANPOWER SURVEY, 1977 SWAZILAND MANPOWER SURVEY ETC. IN THIS CONNECTION THEY ARE LOOKING FOR A CONSULTANT TO PARTICIPATE IN THE PROJECTIONS AND ANALYSIS WORK FOR A TWO MONTH PERIOD AROUND AUGUST-SEPTEMBER. AT THIS STAGE WE ARE GETTING TOGETHER A LIST OF POSSIBLE CANDIDATES WHO MAY BE CONSIDERED FOR THIS JOB. PLEASE CABLE WHETHER YOU WOULD BE INTERESTED AND AVAILABLE FOR THIS PROJECT. A TWO MONTH STAY IN MALAWI IS ENVISAGED. REGARDS, SCEARCE.

M. Ahmed:smm

cc. and cleared by Mr. Scearce  
cc. Mr. Mc Cleary

J. L. Scearce, Acting Chief

EAPED

BOOK OF FOUR

1) PERMANENT SECRETARY, MINISTRY OF EDUCATION

LILONGWE, MALAWI

2) NKANDAWIRI, MCETS COMPUTER CENTRE

ZOMBA, MALAWI

3) MAWINDO, MINISTRY OF LABOUR

LILONGWE, MALAWI

4) MISS HASHIMOTO, CAPITAL HOTEL

LILONGWE, MALAWI

CABLE

MARCH 23, 1979  
76625

PERMANENT SECRETARY MINISTRY OF EDUCATION  
LILONGWE, MALAWI

FURTHER TO THE DISCUSSIONS OF MESSRS AHMED AND BANDA IN LILONGWE ON FEBRUARY 27 REGARDING PROGRESS OF TRACER SYSTEMS FOR SCHOOL-LEAVERS WE SHARE YOUR MINISTRY'S CONCERN ABOUT THE DELAY IN PROCESSING DATA FROM FIRST AND SECOND TRACE SURVEYS DUE TO PRESSURE OF WORK ON NCETB COMPUTER. WE ARE HAPPY TO NOTE THAT THE PRELIMINARY RESULTS ARE NOW EXPECTED TO BE AVAILABLE VERY SHORTLY. BANK STAFF MEMBER MR STEPHEN HEYNEMAN ARRIVING IN MALAWI ABOUT MAY 12 WITH BASIC ECONOMIC MISSION WILL NEED TO USE THESE PRELIMINARY RESULTS FOR HIS ANALYSIS OF EDUCATION AND TRAINING SECTOR. SPECIFICALLY THE MISSION WILL NEED UPON ITS ARRIVAL FIRST A COMPUTER PRINTOUT OF THE FREQUENCY DISTRIBUTIONS OF EACH ITEM IN THE TRACER SURVEYS OF JUNE 1977 AND JUNE 1978 AND SECOND AN EXTRA COPY OF THE COMPUTER CARDS AND CODE BOOK FOR BASELINE SURVEY AND BOTH FOLLOW UP SURVEYS. PLEASE ADVISE SOONEST WHETHER THIS INFORMATION CAN BE MADE AVAILABLE BEFORE MISSIONS ARRIVAL IN MID MAY. REGARDS, PENNISI.

Malawi II

Nasood Ahmed:smm

cc. Messrs. McCleary, Heyneman,  
Sinclair, Wolff, Maas,  
Scearce

G. Pennisi, Chief  
EAPED

*Chron.*

Class of Service: **TELEX** Date: **MARCH 22, 1979**

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BOOK OF TWO (SEE ATTACHED TEXT)

1) PERMANENT SECRETARY, MINISTRY OF EDUCATION,

LILONGWE, MALAWI

2) MR. SHAWA, PIU CHICHIRI, BLANTYRE, MALAWI

NOT TO BE TRANSMITTED

SUBJECT:  
*Malawi General*

CLEARANCES AND COPY DISTRIBUTION:  
cc: Messrs. Sinclair, Sullivan,  
Zymelman, Wolff, McLeary, Swahn,  
Scearce, Ms. Hashimoto

DRAFTED BY:  
*Mahmed:so*

AUTHORIZED BY (Name and Signature):  
*G. Pennisi*

DEPARTMENT:  
*EAPED*

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Class of Service: **TELEX**

Date: **MARCH 22, 1979**

Telex No.:

Originators Ext: **74764**

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TO

RE MANPOWER SURVEY BEING CONDUCTED BY ECONOMIC PLANNING DIVISION OF

OPC AND OUR CABLE TO MR. KALINGA AT OPC WE WOULD HAVE NO OBJECTION

TO UTILIZATION OF FUNDS FROM TECHNICAL ASSISTANCE CATEGORY OF

CREDIT 590-MAI FOR SERVICES OF DR. COLCLOUGH TO ASSIST IN

ANALYSIS OF SURVEY DATA. THIS ANALYSIS IS IMPORTANT FOR

PREPARATION OF NEXT EDUCATION PROJECT. WE WOULD APPRECIATE

YOUR ASSISTANCE IN THE SPEEDY PROCESSING OF THIS REQUEST.

THIS CABLE COPIED TO SHAWA, PIU. REGARDS, PENNISI

1 TV/COUNTRY

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NOT TO BE TRANSMITTED

SUBJECT:

**Malawi General**

DRAFTED BY:

**MAhmed:so**

CLEARANCES AND COPY DISTRIBUTION:

**cc: Sullivan, Zymelman, Sinclair,  
Wolff, McLearnly, Swahn,  
Scearce, Hashimoto**

AUTHORIZED BY (Name and Signature):

**G. Pennisi**

DEPARTMENT:

**EAPED**

SECTION BELOW FOR USE OF CABLE SECTION  
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Letters

July 11, 1979

Mr. C. Baron  
Technology and Employment Branch  
Employment and Development Department  
ILO  
CH 1211, Geneva 22  
Switzerland

Dear Chris:

I have now had a chance to read Mr. Thobani's research proposal which arrived whilst I was away on mission. I am afraid I do not know Mr. Thobani well either, so I am unable to reply to the first of your questions, although from reading the proposal it appears that he does not readily fall into either category.

On the substance of the proposal itself my comments are as follows: The first part appears methodologically sound but its data requirements may well exceed the range of available data. I am also unconvinced that expenditure on various modes of transport can legitimately be regarded as measures of output given the vast discrepancies between fares charged and either marginal cost of operating the service or the value placed on the marginal unit by consumers. In a distortion free system this proxy would approximate the value of output but with subsidies on buses and the circular railway and a general situation of excess demand, the results thus obtained will result in upward biased estimates for the capital-output ratios.

The second part of the exercise is methodologically less sound. Why time (including presumably leisure time) spent on travelling should be included as a cost but discomfort and unreliability excluded as "irrelevant" is difficult to understand. If consumers' preferences are to be ignored in this formulation, what policy implications would it have? Difficulty in allocating co-efficients to these attributes is little reason to ignore their presence. Nor is there any reason to take as a constraint the fact that they "must get from one place to another". A trip will be made, if its benefits exceed the costs of making it, and these costs include all perceived costs, not just monetary and time related ones.

I do not want to sound too discouraging but I really do feel that the second part of the proposed research could benefit from some structural rethinking. On the positive side, the study is relatively cheap, and if some of these issues could be resolved, it may yield some interesting results yet.

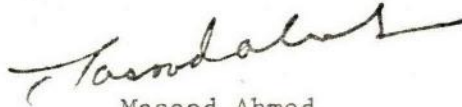
Mr. C. Baron.

-2-

July 11, 1979

I hope these comments are not too late and of some use to you.

Best regards,



Masood Ahmed  
Urban Projects Department

P.S.: Thank you also for the WEP working paper which, except for awarding me a gratuitous Ph.D., I am happy to note, is almost entirely unchanged. You made no reference in either the covering note or in your more recent letter to the question of the outstanding contractual fee which I suggest is now past due. I would appreciate your giving this matter your early attention.

November 26, 1979

Ms. Leila Erder  
The Population Council  
P. O. Box 5008  
Amman, Jordan

Dear Leila:

Thank you for your letter and the enclosed materials on some of the Council's current activities in the Region. It was particularly encouraging to hear of Bassam's interest in the inclusion of a monitoring and evaluation component in the proposed urban project. We should certainly like to pursue this matter further.


Unfortunately, our next mission to Jordan has been delayed until January because the Government has indicated that it needs more time to consider the consultants' proposals. I, myself, am moving to the Bank's Energy Department in the new year so it is unlikely that I will be able to join the January mission to Amman, but Douglas Graham, who is the project officer responsible for this project, would like to follow up on this with you and Bassam during the course of the next mission, if that is convenient. He will get in touch with you in early January to firm up the arrangements.

I am sorry that the proposals to include such a built-in formative evaluation system into the project could not be finalized during my own short involvement with the project and I shall be "monitoring" with interest how things progress during the coming months.

It was nice working with you and I hope we shall meet again soon. Perhaps the Council might sponsor a study on the impact of higher energy prices on low-income households in Jordan?

Best regards.

Sincerely yours,

  
Masood Ahmed

Pink

April 17, 1979

Mr. G. Sullivan  
Education Planning Research Adviser  
The Swaziland Institute for Educational Research  
Faculty of Education  
University College of Swaziland  
Private Bag  
Kwaluseni  
Swaziland

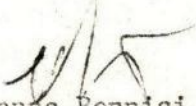
Dear Mr. Sullivan,

Thank you for your letter of March 22 to Mr. Ahmed and the enclosed expenditure estimates for the School Leavers Tracer Study now underway. We are happy to note that 800 questionnaires have already been completed and another 1,160 are currently being processed. We hope that before your departure from Swaziland, the bulk of these respondents, along with some of the 540 for whom there is at present no information on record, will have been traced.

We look forward to receiving a copy of your draft proposal to continue this research upon your return to the United Kingdom. This proposal should be submitted to the Permanent Secretary in the Ministry of Education and to Mr. Shanahan, the Director of the Swaziland Project for Educational Development (SPED) who would forward it to the Bank.

We are sending a copy of this letter to Mr. Shanahan for his information.

Yours sincerely,

  
Giuseppe Pennisi, Chief  
Education Projects Division  
Eastern Africa Regional Office

cc. Mr. Shanahan, Project Director  
Swaziland Project for Education Development  
P. O. Box 1193  
Mbabane, Swaziland

Pink

April 9, 1979

Mr. C. Baron  
Technology and Employment Branch  
Employment and Development Division  
International Labour Office  
CH 1211  
Geneva 22  
Switzerland

Dear Chris,

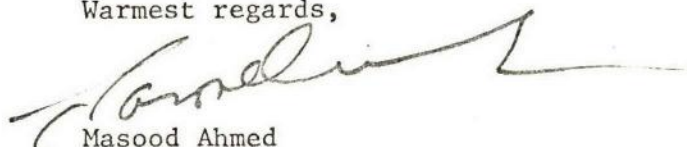
I am writing to inquire how matters are progressing on the Oil Prices study. When we last discussed the subject, by telephone in November 1978, you mentioned that the plan was to publish the draft Pakistan study as a working paper early this year. In this connection, I sent you a concluding chapter to be incorporated into the Working Paper, from Pakistan in December. As I have not received any copies of the Working Paper yet, I was wondering whether there has been a change in the planned schedule, and I would appreciate any information you could send me on this.

The other issue we discussed in November related to payment of the remaining 20% of the contract fee. My understanding was that you felt confident that at least half of this sum could be paid then, and the other half by the middle of this year. My Bank's records show that they have received no remittances from Geneva since that discussion. Again, I would appreciate any information you could send me and any efforts you could make to expedite this payment.

I find working at the World Bank both, stimulating and enjoyable; and I am slowly getting used to Washington and the American way of life.

I hope to hear from you soon.

Warmest regards,



Masood Ahmed

March 23, 1979

Mr. Kalinga, Principal Economist  
Office of the President and Cabinet  
Economic Planning Division  
Capital City  
Lilongwe 3  
Malawi

Dear Mr. Kalinga,

I am writing to thank you for the courtesy and consideration shown to me by you and your colleagues during my brief but productive recent visit to Malawi.

I was impressed by the progress that has been achieved on the Manpower Survey and I am confident that the proposed plan of action we discussed can be implemented on schedule. In this connection, I am happy to inform you that I shall be returning to Malawi around the 12th of May for about two weeks to provide any assistance that I can in planning for the Post Enumeration Survey.

I look forward to seeing you then.

Yours sincerely,

Masood Ahmed, Economist  
Education Projects Division  
Eastern Africa Regional Office

M.Ahmed/smm  
cc. Messrs. Mc Cleary, Scearce, Zymelman  
Files

Ahmed  
Chowdhury

March 22, 1979

Mr. Z. T. Soko  
Senior Economist  
Economic Planning Division  
Office of the President and Cabinet  
P.O. Box 30136  
Capital City  
Lilongwe 3  
Malawi

Dear Mr. Soko:

I am writing to thank you for the courtesy and consideration shown to me by yourself and your colleagues during my brief but productive recent visit to Lilongwe.

You may recall that following our discussions on the sampling procedure for the post enumeration survey, you agreed to send to me a frequency distribution of the firms that have been sent the present questionnaire by size and industry group. I have now had an opportunity to review progress on the survey and the proposed plan of action with colleagues at the Bank and we feel that the early despatch of such a frequency distribution would greatly facilitate the drawing up of an appropriate sample for the PES. Optimally, such a distribution would be disaggregated to a two-digit industry group level. We would be grateful if you could send us this information at your earliest convenience. As I recall, the computer listing of the firms in the present survey is at an even greater level of disaggregation so this should not prove too onerous a task.

I am happy to inform you that I shall be returning to Malawi in mid-May for about two weeks, to review the results of the present survey and provide any assistance that I can, in planning for the PES. I look forward to this visit, not least because it will give me a greater opportunity to see some more of your charming country than my last brief visit afforded me.

As per your request I have sent, under separate cover, a copy of the Swaziland Manpower Survey Report for your information.

With kind regards,

Yours sincerely,

Masood Ahmed, Economist  
Education Projects Division  
East Africa Regional Office



Memos

JORDAN URBAN PROJECT

Summary Project Cost Estimates Based on Consultants' July Figures

	<u>JDm.</u>	<u>US\$m</u>
<u>Slum Improvement</u>		
1500 units on four (4) sites	2.42	8.06
<u>Sites and Services</u>		
5000 units on four (4) sites	10.12	33.70
<u>Social Services</u>		
Health, education and community facilities	0.95	3.16
<u>Employment Generation</u>		
Workshops, shops, credit and vocational training	1.20	4.0
<u>Technical Assistance</u>	0.74	2.46
	<hr/>	<hr/>
Total Project Cost	<u>15.50</u>	<u>51.40</u>

N.B.:

1. Offsite infrastructure costs of JD 0.1 million per site have been allocated to housing component only.
2. Contingencies @5% of total cost are incorporated in these figures.
3. The exchange rate used is JD1=US\$3.33.
4. Implied per unit costs are:

Upgrading	\$5373/household
Sites and Services	\$6740/household

MAhmed:sa  
URB:8/1/79

chron.

## OFFICE MEMORANDUM

TO: Mr. A. Pellegrini

DATE: 7 December 1979

FROM: Masood Ahmed and Basil Assimakopoulos

SUBJECT: Jordan Urban Project. Status of Revision for White Cover  
Appraisal Report.

1. The revised draft of the above report is now substantially complete and is in the process of being typed. Two of the remaining gaps will be filled in when (i) Mike Rathnam provides a paragraph on the staffing needs and resources of the National Housing Corporation for chapter V (on Monday); and (ii) when Morris provides a paragraph on the Municipality also for chapter V (and also on Monday).
  
2. In addition to items which have yet to be confirmed by the Government, and which are specified as such therein, two further gaps remain in the present version. These are:
  - i. The man month rates, requirements and local/foreign breakdown for the technical assistance component which can be filled in on the 17th of December when Douglas returns to Washington.
  - ii. The rate of return for the upgrading component which can only be filled in once the uncertainty over benefit valuation is resolved during the next mission.
  - iii.
  
3. Basil will receive and incorporate the additional information provided by Mike and Morris next week.
  
4. Seasons Greetings.

cc: Messrs. Sandstrom, Assimakopoulos, Graham, Rathnam

TO: Mr. A. Pellegrini, URBD2

FROM: Masood Ahmed, URBD2

SUBJECT: Cairo Transport Project: Assistance to Public Transport

1. One of the issues that has to be examined in connection with the preparation of the above project is the strategy to be adopted for public transport, including the role of the Cairo Transport Authority (CTA), in meeting the urban transport needs of Cairo's rapidly growing population in the 1980's. Related to this is the question of the extent and nature of Bank assistance either through this or subsequent projects. Some information on the current status and prospects of the public transport sector has already been gathered during the course of project preparation, but a detailed analysis has yet to be made.

2. The purpose of this note is to summarize this information and raise some of the points that will have to be considered by the Government and the Bank in formulating and assessing a medium-term public transport strategy. Such a strategy needs to be urgently formulated because of the high proportion of passenger trips that are, and will continue to be made through public transport <sup>1/</sup> and because of the rapid deterioration in the conditions under which these trips are made, which derives largely from the increasingly unsatisfactory situation of the agencies which are responsible for providing public transport.

---

<sup>1/</sup> 1978 Estimates of the modal split for passenger transport in Greater Cairo show that public transport vehicles, even excluding taxis and shared taxis, accounted for nearly 70 percent of all motorized passenger trips, whereas private cars and taxis accounted for only 16 percent and 14 percent respectively. Improvements in the provision of public transport would also have more direct benefits for the urban poor.

3. The present circumstances of public transport are disquieting.

Buses which carry 80 percent of all public transport passengers, are dangerously overcrowded, grossly overutilized, badly maintained and as a consequence die a young death after approximately seven years of service. The tram fleet is in much the same shape. Breakdowns are frequent for all types of vehicles and especially in the case of trams, can result in all traffic being brought to a halt for hours on narrow but extremely busy streets in the CBD. Vehicle speeds are understandably low.

4. Under these circumstances, taxis and larger shared taxis have flourished and relieved some of the strain on buses and trains. There are currently about 37,000 taxis and 800 larger fixed-route shared taxis licensed to operate in the Greater Cairo Area. Fixed route taxis, which are in effect 12-seater mini-buses, are a relatively new phenomenon in the city but the service is supported by the Central Traffic Police, well organized by the drivers union and likely to grow at a rapid rate. The Bank should certainly encourage this growth as for many routes an effective minibus service would cater for the needs of the majority of public transport passengers, and under this project it is proposed to set up a fund to be used to finance the purchase of additional vehicles by owner/operators who have difficulty in gaining access to capital from existing sources. Nevertheless, it is difficult to envisage minibuses becoming the major mode of public transport in the near future; 3.5 million passengers currently travel on buses and trams every day and there is some evidence to suggest that many of them prefer to wait for a bus to come along rather than take a minibus (with its higher fare) to their destination.

As the minibus service becomes more established and the quality of service on buses and trams deteriorates further, many more passengers will shift their mode of travel. Nevertheless it is likely that in the medium-term public transport will continue to be based largely on buses and trams run by publicly owned companies.

5. There are three such agencies in Greater Cairo. The Cairo Transport Authority (CTA), its subsidiary the Greater Cairo Bus Company (GCBC) and the Heliopolis Metro Company. Their respective shares in passenger trips and their losses for 1978 are presented below.

Mode	Daily Passengers (000's)	% of Total	Operating Ratio	Losses Million EL
CTA - Buses	2,488.5	72	194	27.83 <sup>1/</sup>
- Trams & trolleys	368.5	11	319	6.40
- River bus	33.7	1	101	0.20
- Total	2,890.7	84	-	34.43
GCBC - Buses	246.1	7	108	0.16 <sup>2/</sup>
Heliopolis - Trams	292.1	9	252	3.25
All Modes	3,428.9	100	-	37.84

<sup>1/</sup> Loss figures for different CTA operations include a share of central administration costs.

<sup>2/</sup> GCBC losses are for six months only.

Both the predominance of CTA as a provider of public transport and of buses as a mode of public transport emerge from these figures. Also apparent is the fact that even the provision of this poor quality of service requires an annual public subsidy of EL 38 million (US\$55 million).

6. This unsatisfactory state of affairs can be attributed to two main causes. First, politically determined low fares, some of which have not been changed since 1954, have held revenues in check in a period when costs have been sharply rising and it is uncertain whether fares are actually collected from many passengers. Second, inefficient management, procurement and maintenance policies in the public transport companies have resulted in an even greater increase in operating costs than is warranted by either the increase in the number of passengers carried or the general increase in nominal costs due to inflation. The new effect is that the provision of public transport is viewed by all as an increasingly costly social service that has to compete for scarce government resources with other public sector needs.

7. Any strategy for improving the quality of publicly provided transport must be based upon a two fronted attack on the twin causes of the present problem. On the one hand, operating efficiency could be improved through a variety of measures; and on the other, some rationalization of the fare structure needs to take place as a first step towards the full financial viability of public transport agencies. Although obstacles may have to be overcome on both fronts, the first set of policies will probably be more readily acceptable and easier to implement. CTA needs advice and assistance in rationalizing and improving its maintenance and training facilities for both buses and trams; in rationalizing its route structure and vehicle deployment policies; in improving its procurement policies for vehicles and spare parts <sup>1/</sup>; and in developing a

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<sup>1/</sup> CTA currently has a reported EL 2 million inventory of spare parts for buses that it has long ceased to operate.

mid-term operational plan. Both CTA and the Heliopolis Metro need assistance in developing a consolidated route network for trams which will involve track sharing, selective route expansion and the abandoning of certain routes which are inherently uneconomic and unsuitable for tram operations. Bank assistance in this field would be both welcome and useful and would be coordinated with other bilateral agencies, especially USAID which is currently considering the provision of technical assistance to CTA for its training and maintenance operations. It is unlikely that major physical works would have to be undertaken as the problem is really one of inefficient utilization of existing facilities. The benefits, however, are substantial and could be achieved at fairly low costs.

8. Although improved operating efficiency would lead to significant short-term improvements in the quality of public transport, this would only represent a partial solution. The underlying problem is one of financial vulnerability caused by low regulated fares which have resulted in the companies' inability to replace and expand their fleet to meet growing demand. Three further propositions can be made: (i) sufficient public funds cannot be made available to run an adequate service at current fares for all passengers; (ii) as Cairo's population continues to grow at 4 percent or approximately 350,000 additional people per year it will become increasingly difficult to even provide the existing level of service at existing fares (iii) even if taxis and shared taxis continue to grow, and unless the underground rail system is built, which at costs of \$35 million/km is unlikely in the near future, buses and trams operated by publicly owned companies will continue to be the major providers of public transport services, however, poorly they do the job.



9. The first best solution would be to deregulate public transport fares and allow them to rise to levels which generate sufficient surpluses for fleet replacement and expansion to cope with market demand. However, low bus and tram fares have been and continue to be an issue of some political sensitivity and some measure of public subsidy for public transport users has to be accepted as a political reality. The real question is how this limited subsidy can be most effectively deployed. The first principle that Government has to accept is that it must move from a general and increasingly inadequate subsidy for all public transport users to a more effective and selective subsidy on those routes which are patronized by the lower income groups or directly to those groups (students, war veterans etc.) who are felt to "deserve" such consideration. For the bulk of public transport users fares will have to go up. Clearly this will be a gradual process and if it is to be politically acceptable, the higher fares must be seen to buy a better class of service.

10. There is some evidence to suggest that the Government is now willing to consider this option. The formation of the Greater Cairo Bus Company in 1978, was a first step in this direction. The GCBC operates a fleet of 400 buses which run a higher fare service on selected routes. Although the buses themselves are unsuitable for operations in Cairo and have high maintenance costs, the GCBC has managed to almost break-even in 1978 and hopes to make a E£ 1m profit in 1979. The previous chairman of CTA, which is the parent company of GCBC, saw the GCBC operation as a pilot project which would lead to the formation of other subsidiary companies which would offer a higher fare/better quality service and reduce the strain on CTA finances. Unfortunately, a new chairman of CTA has now been appointed who is opposed to the concept of decentralization and believes that CTA should directly provide all public transport services at existing fares.

He feels that financial viability is very much a second priority for public transport companies. His main concern is that GCBC buses carry, on average, 1,000 passengers per day compared with the 2,500 or so carried by CTA buses.

11. Although both these figures represent substantial overloading which in the long run increases maintenance costs and reduces vehicle life, CTA's concern is an understandable reaction to what they perceive as the immediate problem of inadequate rolling stock to satisfy existing demand. Nevertheless, the amalgamation of all public transport services under the CTA would represent the reversal of a policy which could have led to a politically acceptable rationalization of the tariff structure for public transport. It would delay the move towards putting public transport provision on a financially sound basis and lead to a progressive deterioration in the quality of service provided over the next decade.

12. The question that needs to be resolved is whether the Bank is in a position to tackle this issue directly. Discussions with officials of the CTA to date have centered on measures to improve the company's operating efficiency, which they would welcome, but it is unlikely whether the prospect of this form of Bank assistance, which other donors, notably USAID are also interested in providing, would generate adequate leverage on the CTA to bring about a change in its policy with regard to the GCBC. The essence of the dilemma is that CTA would probably only be willing to seriously reconsider its policy if its management believed that the Bank would then assist them in expanding their fleet, which, given the present state of CTA's operations and finances, would clearly be premature.

13. One possible strategy is for the Bank to provide, as part of this project, technical assistance to the CTA in developing a medium term operational plan which examines the broader issues of decentralized provision, the role of the GCBC and the potential for its expansion, and the composition of the public transport fleet, within the dual constraints imposed by the political sensitivity of public transport fares and the limited sums of public money available to subsidize public transport users. If this plan is to have operational relevance, the need for such a comprehensive review must be recognized not only by the CTA but also by other concerned government agencies, such as the Ministries of Transport and Finance and the Governorates of Cairo and Giza. They, in turn, will be more willing to accept this need if the Bank shows its own concern and interest, partly by indicating that it could assist in the implementation of any satisfactory plan that would emerge from this review, including if necessary, the financing of additional rolling stock and physical infrastructure.

14. It is unlikely that Bank assistance under this project would extend beyond the provision of technical assistance for bus operations and minor improvements to maintenance and training facilities for trams, but it is important that this be seen as part of a longer term package to rehabilitate and improve public transport as a whole. It is also important that this technical assistance be provided after a dialogue has been initiated with officials of the CTA, the Governorates and the Ministry of Transport on the need to review the operations and prospects for the sector. If this is not done, the risk is that any assistance the Bank may provide will be seen as essentially discrete and will serve to postpone further a realistic discussion and evaluation of the underlying issues.

15. During the course of the next two missions, this dialogue can be initiated. In particular, agreement should be sought with Government on the

need to introduce a differential pricing policy over time and to postpone any decision on the amalgamation of the GCBC's operations into the CTA framework until an overall strategy for the public transport sector has been formulated.

## OFFICE MEMORANDUM

TO: Mr. E.V.K. Jaycox, Director, URBDR  
 (through Mr. Sven Sandstrom, Chief, URBD2) *SS*  
 FROM: Masood Ahmed, URBD2 (EMENA and South Asia)

DATE: August 28, 1979

SUBJECT: Divisional Views on PARTAC

PREAMBLE

Macchiavelli, whose qualities as a social historian are unfortunately eclipsed by the notoriety of one of his minor works (The Prince), entitled the last chapter of his commentary on the first decade of the Roman Republic, "Why Rules and Regulations Are Necessary to Preserve Freedom or Why Quintius Fabius Was Given The Title of Maximus." The gist of this chapter is that after a decade of rapid expansion and colonization, during which the citizens of Rome grew considerably both in number and diversity, the Senators felt that the lack of laws and regulations was leading to a situation of anarchy, and proposed that clearly defined rules be enacted to preserve freedom and restore order. Quintius Fabius, however, suggested that enforcing rules and regulations on the free citizens of the Republic would be contrary to the whole spirit of Roman democracy with its essential element of universal participation. He proposed instead that all the citizens of Rome should continue to make an input into the decision-making process, with the slight modification that these inputs now be made commensurate with their ability and experience. All that the Senators had to decide, therefore, was how much ability and experience each group of citizens had. For providing this solution to the problem, Quintius Fabius was given the title of Maximus by his peers.

1. Below please find a summary of the divisional staff's views on the subject of increased participation in the Bank's work, as reflected in the discussions held during two staff meetings and in comments made by the staff on an earlier draft of this memorandum.

2. It was difficult to reach complete concensus on any specific recommendation for management consideration, but there is little doubt that the majority of staff:

(a) are dissatisfied with the Bank's current decision-making process on a whole range of issues;

(b) feel that increased, but varying, levels of additional staff participation in the making of these decisions would be both feasible and desirable;

(c) perceive the priority area for improved vertical communication to lie in those decisions which are taken outside the department but which directly affect the workings of the department and its constituent decisions; and

(d) look upon the mechanics and timing of the department's impending regionalization as providing an ideal forum for improving both lateral and vertical communication through increased participation. Each of these points is dealt with below.

3. There was considerable dissatisfaction among staff about the Bank's current decision-making process on a whole range of issues varying from broad policy questions, such as the role of the Bank and its overall lending policy on the one hand, to more immediate concerns about the timing of the department's regionalization and the selection of departmental management. The staff's basic concern was that on a number of these issues their views were not sufficiently reflected in the Bank's final decisions. The problem was therefore seen as a two-dimensional one. First, senior management were not sufficiently aware of the staff's views on any particular issue and, second, the weight attached to the views of staff in reaching a decision on any issue was seen by many to be too low. There was some discussion over the latter, with several staff members pointing out the responsibility of management to make decisions and interpreting the role of PARTAC as providing a wider range of, sometimes conflicting, opinions to enable management to make more informed decisions. A minority view held that the process really implied reaching decisions by majority vote which was clearly impossible in the necessarily "dictatorial structure of modern corporate management." On the other hand, there was no disagreement that management, especially senior management was insufficiently aware of staff views.

4. These questions are, of course, interrelated but separate. Participation, if it is to be effective, must involve not only additional opportunities for staff to make their views known to management but also for decision makers to take due cognizance of these views. At the same time, it was recognized that for management to take into account staff views, it must be reasonably confident that these views were representative of the majority of staff members. As such, the discussion at these meetings focussed on improving the channels for communications between staff and management and presupposed, to some extent, that better communication would also lead to more effective representation.

5. There was a general consensus among staff that the priority for increased participation lay in those decisions which were taken outside the department but which directly affected the workings of the department and its constituent divisions. Both the decisions recently taken on the timing of regionalization and the selection of a new department head were seen as examples where increased staff involvement would have been beneficial. The first of these decisions was the subject of considerable debate, partly because the outcome was considered less satisfactory, but also because staff were genuinely dissatisfied with the manner by which this decision had been reached. They recognized that the final decision reflected a compromise between the regional desire to effect this transfer immediately and the department's view that technical and staffing considerations precluded such a transfer before the end of FY81. However, the staff believed that consultations with staff below the level of divisional managers was inadequate and that their deliberations on the damaging effects of premature regionalization on the quality and timely execution of projects currently under preparation had been overruled without adequate explanation. The OPD review that had been carried out to determine the validity of these deliberations was considered by all to be a singularly

unproductive and ill organized exercise which sought little, if any, input from the staff concerned. The staff felt that management's decision to regionalize prior to the date considered technically feasible by project staff should be followed by guidance and support from above on how this could be effectively organized without compromising project quality. As one staff member put it, "Now that they've decided we were wrong, they should show us how it can be done."

6. On the selection of the department head, the staff felt that although on this occasion their views were transmitted to senior management through informal consultations between the Division Chiefs and the Vice President, CPS, such an ad hoc arrangement did not guarantee adequate staff representation in the future and more formal and institutionalized arrangements were desirable.

7. The staff also voiced their concern on a number of other issues. They felt, for example, that senior management was unaware of the extent to which staff were interested in and concerned about longer term policy issues regarding the Bank's role in development; the rate of growth of Bank lending; the emphasis on meeting country lending targets and its effect on the selection and quality of Bank-financed projects; and apparent differences in approach across Bank departments concerned with similar development issues. There was some disagreement on how much staff participation was feasible in the reaching of these broad policy decisions, but a general consensus emerged that management should make greater efforts to seek out staff views and provide more explanations of why certain decisions were made and how they would affect the Bank and its staff.

8. At the divisional level existing arrangements for staff participation were considered to be satisfactory, although here too, it was felt that the present system was too dependent on the personality and philosophy of divisional management and that a more formal system of consultation would be desirable in the event that increased staff participation in the selection of divisional management was not forthcoming. The staff proposed that the devolution of the decision-making process to the divisional level on those issues where greater flexibility would not be incompatible with Bank-wide norms, would be a useful step in the right direction.

9. In terms of specific recommendations for additional participation, there was general agreement that initially the most suitable topic was the division's transfer to the regions. This was seen as an area where improved communications both laterally and vertically could yield high returns in the short term. It was suggested that to start this process regional management should be invited to discuss their plans with the division's staff and to respond to any views or concerns the staff might have. This could be followed up by a continuing process of formal and informal consultation among interested staff and management to enable the timely and effective regionalization of the department.

cc: Messrs. Dunkerley, Churchill, Cook, Mould, Singh, Walters, Madavo, Kahnert, Simmons, Sud, Rathnam, Ms. Jackson (URB); Strombom (LCPUR); Knox, El Darwish (EMP); Picciotto, Geli (ASP)  
Division 2 Staff

## OFFICE MEMORANDUM

TO: Division 2 Staff

DATE: August 22, 1979

FROM: Masood Ahmed 

SUBJECT: Divisional Views on PARTAC

1. Following the two divisional meetings on PARTAC, I have been asked to draft a summary of the divisional staff's views on the subject of increased staff participation in the Bank's work.
2. A first draft of this is attached on which I would appreciate your comments, either written or oral, by cob 23rd August, if possible.

Attachment

MAhmed:sa



## OFFICE MEMORANDUM

TO: Files

DATE: August 9, 1979

FROM: Masood Ahmed, URBD2

SUBJECT: JORDAN: Urban ProjectAffordability Analysis for Sites and Services Component

1. This analysis is based on the information presented by the consultants for the Ruseifa Test Project in their second interim report. Costs and their allocation, the distribution of land into marketable and non-marketable areas and the distribution of plots of different sizes are obtained directly from Section 5.4 of this report. Superimposed on this is the following distribution of onplot development which is in accordance with the agreements reached at the end of the July mission.

Table 1: DISTRIBUTION OF PLOT TYPES

Plot Type	Number	Size m <sup>2</sup>	Infrastructure	Superstructure	Percentage
A	117	101	Footpath access	Service core only	15
B	257	101	" "	SC + 1R	33
C	16	101	Road access	SC + IR	2
D	222	101	" "	SC + 2R	29
E	43	144	" "	SC + 2R	5
F	87	144	" "	Site only	11
G	38	300	" "	Site only	5

2. There are a total of 780 residential plots of which 125 (16%) are sold at market prices on a site only basis. The average cost of land and infrastructure is JD 10.95m<sup>2</sup>. Superstructure costs are: sanitary core-JD400; sanitary core and one room-JD850; sanitary core and two rooms-JD1250.

3. First, the surplus generated from the sale of the industrial and commercial plots and residential plots of types F and G is calculated.

Table 2: SURPLUS GENERATED FROM MARKET SALES

Plot Type	JD
38 "Type G" residential plots @ JD20/m <sup>2</sup>	110,863
87 "Type F" residential plots @ JD15/m <sup>2</sup>	65,684
19 shop sites @ JD30/m <sup>2</sup>	4,534
62 workshop sites @ JD25/m <sup>2</sup>	47,770
Overall Surplus	228,851

4. This sum can be applied towards reducing the cost of residential plots for the target population but there is still a need to differentially price these quite different plots. Initially a break even budget for the program is presented based on the following distribution of residential plot prices:

Table 3: DEFICIT FROM SALE OF RESIDENTIAL PLOTS

Plot Type	JD
117 "Type A" plots @ JD5/m <sup>2</sup>	70,311
257 "Type B" plots @ JD6/m <sup>2</sup>	128,487
16 "Type C" plots @ JD8/m <sup>2</sup>	6,345
222 "Type D" plots @ JD10/m <sup>2</sup>	28,352
43 "Type E" plots @ JD12/m <sup>2</sup>	+6,070
Overall Deficit	227,425

5. This overall deficit can be offset against the surplus generated through the sales of plots in Table 2, resulting in a net programme surplus of JD 1426. If these prices were charged the cheapest residential plots offered would be affordable to the 6th/8th percentile and above of the urban income distribution as shown below in Table 4.

Table 4: DISTRIBUTION OF PLOT PRICES AND BENEFICIARIES

Plot Type	Plot & Super-structure Price JD	Building Loan JD	Affordable to household with p.m. income of JD	Corresponding positive on urban income distribution	Percent of project beneficiaries
A	904	up to 300	32/42	6 / 8	15
B	1,455	up to 250	50/59	10/14	33
C	2,096	up to 250	73/78	23/29	2
D	2,594	none	90	38	29
E	3,487	none	121	63	5
F	2,796	none	Market Disposal		11
G	6,447	none			5

NB: 1. The two income levels for the first three plot types are for households who do not/do take up the building loans.

2. Affordability calculations are based on a maximum of 25% of household income being spent on housing with a 100% mortgage @8.5% over 20 years.

6. It can be seen from these figures that about 80 percent of project beneficiaries are households **earning** less than the mean urban income level (about JD 100 per month) and that just under half of the project's beneficiaries have household incomes below the Bank urban poverty threshold figure of JD 62 per month.

7. An alternative formulation of this problem would be in a wider context with land for the new development and slum improvement sites being acquired as part of the same program. This would enable surplus funds from the sites and services component being used to offset high land prices for the upgrading site. Obviously this would restrict the range of beneficiaries for the new development sites and this cost would have to be subtracted to estimate the net benefits from such a transfer of funds.

8. This analysis will be done once a clearer picture of slum upgrading costs and their allocation emerges as further work is done on this issue. In particular David Gilmore's report (expected in mid-August), should advance this analysis considerably.

cc: Messrs. Graham, Assimakopoulos, Godavitarne

MAhmed:sa

## OFFICE MEMORANDUM

TO: Mr. A. Pellegrini, Acting Chief, URBD2

FROM: Masoud Ahmed and Basil Assimakopoulos, URBD2

DATE: July 31, 1979

SUBJECT: Jordan Urban Project: Status of Project Preparation

1. Subsequent to the preappraisal mission of July 15-23, this note outlines the current status of project preparation and the proposed processing schedule for the above project. A full report on the mission's discussions will be issued upon Mr. Graham's return to Washington on August 21. An Aide Memoire outlining the results of the missions discussions with the Government and identifying matters requiring early Government consideration was prepared by the mission and submitted to the Government. A copy of this is attached.

Project Components and Costs

2. The following project components are now envisaged:

(a) Upgrading of four (4) squatter settlements in Amman and legalizing developments at two other squatter sites affecting, in all, about 50,000 people.

(b) Sites and services development, of up to 5000 sites, in Amman and its periphery and Ruseifa in the Amman Zerqa corridor.

(c) Provision of education, health and other community facilities in the above areas.

(d) Employment generation through the provision of artisan lots, credit, training etc. in the above areas, and

(e) Technical assistance to the implementing agencies.

3. Total project cost is estimated at about JD 15.5 million (US\$50 million). The financing plan is yet to be determined, but it is expected that the Bank would finance the foreign exchange component of the project estimated at about \$20 million.

Processing Schedule

4. No change is envisaged in the processing schedule for the project with appraisal still planned for September 8-28. The schedule thereafter is as follows:

Yellow cover appraisal report	November 1979
Negotiations	January 1980
Board presentation	March 1980

Issues

5. There are no outstanding policy issues to be resolved, but, as indicated in the Aide Memoire, a substantial amount of technical work needs to be completed prior to project appraisal. In particular,

(a) physical surveys of two sites need to be completed by early August to enable the consultants to prepare preliminary engineering cost estimates

for the slum improvement and new development components of the project;

(b) an institutional plan for project execution needs to be finalized and the capacities and staffing needs of relevant institutions assessed; and

(c) detailed affordability analysis for the slum upgrading sites needs to be carried out in the light of the revised cost figures that will be generated by the physical surveys in (a).

6. The timely completion of this work to a satisfactory standard requires the speedy mobilization of additional staff resources on the part of the consultants. Strong Government guidance and support is also required. However, both parties have indicated that this schedule could be adhered to.

Attachment:

MAhmed:sa

PROPOSED JORDAN URBAN DEVELOPMENT PROJECT

AIDE MEMOIRE

1. A World Bank mission consisting of Messrs. Graham, Assimakopoulos, Ahmad and Gilmore visited Jordan from July 15 - 21 to review with the government the consultants' second interim report and to discuss the programmes for project preparation. Meetings were held with the steering committee, the consultants and with the main agencies involved in project preparation. The main points arising from these discussions are described below :

Project Timetable

2. It was agreed that the project should be appraised from September 8th to 30th by a World Bank mission which would work closely with government officials and the consultants during preparation of their draft final report, due on September 30. Thereafter, loan negotiations are scheduled for January 1980 and presentation of the project to the Executive Directors of the Bank in March 1980. In order to adhere to this programme, a number of actions were agreed upon :
  - (a) the physical surveys of sites to start immediately, with priority given to the slum improvement site of Jofeh and the new development site of Quseisime, the results of which will be available in early August to enable the consultants to prepare preliminary engineering cost estimates for these sites, which can be used to estimate costs for other sites within + - 15% for slum improvement areas and within + - 10% for new development areas. Physical surveys of East Wehdat and other sites will follow these two priority sites, the whole to be completed by end September in order that final engineering can then commence on the sites selected for the first phase of the project. It is envisaged that final engineering would be completed for two priority sites (one slum improvement and one new development) prior to negotiations in January 1980 and that tenders for these two sites would be received prior to presentation of the project to the World Bank Board in March 1980.

- (b) efforts will be made to process the Department of Statistics' socio-economic survey of potential project areas as soon as possible.
- (c) the contract for final engineering design will be awarded as soon as possible to ensure continual progression of the project after appraisal.
- (d) assurances were received that land acquisition would not create any delays in project implementation as under existing laws the physical execution of the project could proceed prior to the formal transfer of land title.

### Institutions

3. The consultants will recommend the institutional arrangement necessary for project implementation. However, it is tentatively agreed upon the following:
  - (a) Slum Improvement : Municipality of Amman
  - (b) New Developments : The Housing Corporation
  - (c) Administration of funds for Slum Improvements and New Developments : The Housing Bank
  - (d) Line of Credit to Small Scale Business : The Industrial Development Bank
4. It is envisaged that the first two agencies above would be responsible for executing and supervising all physical works connected with the project. It is also envisaged that, upon completion, beneficiary related residential and commercial components may be transferred to the Housing Bank for administration and cost recovery. Further more, the I.D.B. expressed willingness to administer a line of credit to small scale business, the size and nature of which is to be determined.
5. To the extent necessary for project implementation, the capacities and staffing needs of these institutions should be assessed prior to appraisal. In the case of the Housing Bank and the I.D.B., which may receive long term subsidiary loans under the project, assessments of financial viability and ten year source and application of funds forecasts should also be made.
6. Other ministries involved in the project would include the Ministry of Education (for staffing and maintenance of schools), the Ministry of Health (for staffing and maintenance of health centres) and the Ministry of Labour (for staffing and maintenance of vocational training centres). The public



utilities corporations - AWSA, WSC and JEA - would be responsible for maintenance of components related to their fields of activity.

7. Two project managers will be appointed. One, responsible for the upgrading sites, in the Municipality of Amman, and the other for new developments in the Housing Corporation. In addition, a full time Project Coordinator will also be appointed, possibly in the National Planning Council, who will be responsible for the over-all coordination of all project-related activities with other government agencies and with the World Bank. It would be desirable that the Project Coordinator assumes part-time responsibility prior to project appraisal in September 1979 and full-time responsibility prior to loan negotiations in January 1980.

#### Affordability and Standards

8. Standards of on plot development for new sites were discussed and the steering committee accepted the principle of mixed development of residential plots having a sanitary core only or one room plus a sanitary core or two rooms plus a sanitary core, broadly in the following proportions :

- 15% Sanitary core only
- 35% one room and sanitary core
- 50% two rooms and sanitary core \*


9. The exact proportions on each site will depend on physical layouts and will take account of any new information generated by the DCS survey.

10. The affordability of the slum upgrading components was not included in the second interim report and was therefore not discussed at the steering committee meeting. However, it is understood from discussions at previous steering committee meetings that costs of infrastructure and land will be minimised to ensure affordability to the residents of these areas.

11. The contents of this aide memoire will be reviewed by the Bank in Washington and a confirming letter sent.

\* This includes a limited number of larger residential plots for middle income private development which will generate adequate cross-subsidies for the lower end of the target population.

## OFFICE MEMORANDUM

TO: Files 

DATE: Nov. 26, 1979

FROM: Masood Ahmed

SUBJECT: JORDAN URBAN PROJECT: Notes on Affordability Calculations for Upgrading.

1. Attached is a table of proposed plot charges and their affordability for different plot sizes in the upgrading area. These calculations are tentative and subject to revision as more information on the upgrading component becomes available.

2. The following bases have been used to derive these figures:

(i) Plot Numbers-- These represent the existing distribution of plots in the upgrading sites as reported by HFA in their telex (of Oct. \_\_\_) and in their interim sector report no. 6 on slum improvement. These figures should be treated as orders of magnitude only. The new plots proposed are for East Wahdat; their inclusion depends on the final policy adopted with regard to upgrading.

(ii) Price of plot and infrastructure is calculated to make the upgrading options affordable to the target population. The high cost of land for the upgrading sites means that this can only be achieved if some of the surpluses generated by the sale of larger residential and commercial plots are used to partially offset these costs.

Derivation of Plot Price.

Total land area	-	198,000 m <sup>2</sup>	
Marketable area (90%)	-	178,200 m <sup>2</sup>	
		JD	JD/m <sup>2</sup> marketable
Cost of upgrading land	-	1,345,100	
Interest during construction (6.5%)	-	87,430	
Subtotal		1,432,530	8.04

Site Preparation and Onsite Infra	-	425,770	
D&S, IDC, Phys. cont. (31.7%)	-	135,000	
		<hr/>	
Subtotal	-	560,770	3.15
Surplus from sale of commercial and larger residential plots	-	1,215,000	6.82
Net Cost of land & infra.		778,300	4.37
Additional Surplus from sale of new plots in East Wahdat 5JD/m <sup>2</sup>	-	4,580	0.27
Net cost of land and infra. for upgrading beneficiaries			<hr/> 4.10

(iii) On plot construction - is limited to the 72 new plots in East Wahdat. The unit costs for on plot construction are the same as those used for sites and services.

(iv) Building loans are offered to all the upgrading beneficiaries and the figures reflect the expected average size which is positively correlated with plot size. The building loan for new plots is calculated on the same basis as used for sites and services.

(v) Contingency for default is calculated at 5% of total sale price and an equivalent downpayment is charged.

(vi) Monthly payments are calculated on the loan balance being paid off over 20 years @ 8.5% interest.

(vii) Percentage of Income for Housing-

A lower figure is used for the upgrading sites than was used for the sites and service calculation partly because expenditures on utilities and property taxation is not explicitly included in the above calculations due to inadequate data and partly because it is unlikely that existing residents, some

of whom have been occupying their plots for many years without paying any dues, will be willing to spend a quarter of their income for this purpose following upgrading. A maximum of 14% of household income is devoted to shelter in these calculations.

(viii) Monthly income required- is calculated directly from the above. In the case of the new plots the percentage spent on housing is lower than for the sites and service beneficiaries because expenditure on utilities and property tax is not explicitly included in the above calculations. This is because adequate information on this category of expenditure is not available for the upgrading areas. Its inclusion would probably increase the total expenditure on housing by an average 3-5%.

Percentile reached is obtained from the 1979 estimated urban income distribution based on the updating of the Royal Scientific Society's 1973 Household Income Survey and the Department of Statistics socio economic survey done this year.

## OFFICE MEMORANDUM

chem

TO: Mr. Sam Sherer, Consultant

FROM: Sven Sandstrom, Chief, URBD2

SUBJECT: JORDAN - Urban Development Project  
Terms of Reference for Consultant Advisory Services on  
 Planning Regulations and Land Acquisition Procedures

DATE: November 2, 1979

1. In accordance with your discussions with Messrs. Graham, Assimakopoulos and Ahmed on October 29, you should review the documentation available on building regulations and land acquisition procedures in Jordan with a view to providing advice on the procedures to be followed in planning and implementing the acquisition of land for the proposed urban development project. You will carry out this assignment in Washington, D.C., drawing on your previous work in Jordan and on the information provided by the recent appraisal mission.
2. You should, in particular:
  - (a) advise on the procedures to be followed for the acquisition of land for both sites and services and upgrading areas;
  - (b) draw up a timetable for land acquisition on the basis of these procedures;
  - (c) highlight the problems that may be encountered in land acquisition, particularly those relating to the definition of expropriation for "public use" and any restrictions on resale;
  - (d) examine and suggest solutions to the problem of squatters who have acquired land in the upgrading areas through unofficial transactions on an illegal basis and therefore are not registered owners of their property.
3. You should prepare a draft report on the above subjects for discussion with members of the team preparing the appraisal report, including Mr. Duval. You will spend about 5 days on your assignment which should be completed by November 15, and reserve up to a further 5 days during the period to end May 1980 to provide on-going advice to the team.

cleared with and cc: Mr. E. Njomo (EM2)

cc: Messrs. Southall, Duval (o/r)

LG:mmc

Distribution: Messrs: Knox, El Darwish, Thys, Stewart, Zaiden, Hayden, El Daher (EMP); Finzi (EMNVP); Bart, Marat, Siebeck, Moini, (EM2); Rajagopalan (PAS)(3); Chittleburgh (EDC); Churchill, Dunkerley, Cook, Mould, D. Clark, W. ... Sud, Madavo, M. Rathnam, Ms. Jackson (URB); Kannan (URB); Simmons (URBTAS); Strombom (LCP); Ve-Cheng Chang (STR); Keare (DED); Kalbermatten (TWT)

*Masood's  
clerk*

## OFFICE MEMORANDUM

TO: Mr. E.V.K. Jaycox, Director, URBDR  
(through Mr. Sven Sandstrom, Chief, URBD2) *SS*

FROM: Masood Ahmed, URBD2 (EMENA and South Asia) *Masood*

SUBJECT: Divisional Views on PARTAC

DATE: August 28, 1979

PREAMBLE

Macchiavelli, whose qualities as a social historian are unfortunately eclipsed by the notoriety of one of his minor works (The Prince), entitled the last chapter of his commentary on the first decade of the Roman Republic, "Why Rules and Regulations Are Necessary to Preserve Freedom or Why Quintius Fabius Was Given The Title of Maximus." The gist of this chapter is that after a decade of rapid expansion and colonization, during which the citizens of Rome grew considerably both in number and diversity, the Senators felt that the lack of laws and regulations was leading to a situation of anarchy, and proposed that clearly defined rules be enacted to preserve freedom and restore order. Quintius Fabius, however, suggested that enforcing rules and regulations on the free citizens of the Republic would be contrary to the whole spirit of Roman democracy with its essential element of universal participation. He proposed instead that all the citizens of Rome should continue to make an input into the decision-making process, with the slight modification that these inputs now be made commensurate with their ability and experience. All that the Senators had to decide, therefore, was how much ability and experience each group of citizens had. For providing this solution to the problem, Quintius Fabius was given the title of Maximus by his peers.

1. Below please find a summary of the divisional staff's views on the subject of increased participation in the Bank's work, as reflected in the discussions held during two staff meetings and in comments made by the staff on an earlier draft of this memorandum.

2. It was difficult to reach complete concensus on any specific recommendation for management consideration, but there is little doubt that the majority of staff:

(a) are dissatisfied with the Bank's current decision-making process on a whole range of issues;

(b) feel that increased, but varying, levels of additional staff participation in the making of these decisions would be both feasible and desirable;

(c) perceive the priority area for improved vertical communication to lie in those decisions which are taken outside the department but which directly affect the workings of the department and its constituent decisions; and

(d) look upon the mechanics and timing of the department's impending regionalization as providing an ideal forum for improving both lateral and vertical communication through increased participation. Each of these points is dealt with below.

3. There was considerable dissatisfaction among staff about the Bank's current decision-making process on a whole range of issues varying from broad policy questions, such as the role of the Bank and its overall lending policy on the one hand, to more immediate concerns about the timing of the department's regionalization and the selection of departmental management. The staff's basic concern was that on a number of these issues their views were not sufficiently reflected in the Bank's final decisions. The problem was therefore seen as a two-dimensional one. First, senior management were not sufficiently aware of the staff's views on any particular issue and, second, the weight attached to the views of staff in reaching a decision on any issue was seen by many to be too low. There was some discussion over the latter, with several staff members pointing out the responsibility of management to make decisions and interpreting the role of PARTAC as providing a wider range of, sometimes conflicting, opinions to enable management to make more informed decisions. A minority view held that the process really implied reaching decisions by majority vote which was clearly impossible in the necessarily "dictatorial structure of modern corporate management." On the other hand, there was no disagreement that management, especially senior management was insufficiently aware of staff views.

4. These questions are, of course, interrelated but separate. Participation, if it is to be effective, must involve not only additional opportunities for staff to make their views known to management but also for decision makers to take due cognizance of these views. At the same time, it was recognized that for management to take into account staff views, it must be reasonably confident that these views were representative of the majority of staff members. As such, the discussion at these meetings focussed on improving the channels for communications between staff and management and presupposed, to some extent, that better communication would also lead to more effective representation.

5. There was a general consensus among staff that the priority for increased participation lay in those decisions which were taken outside the department but which directly affected the workings of the department and its constituent divisions. Both the decisions recently taken on the timing of regionalization and the selection of a new department head were seen as examples where increased staff involvement would have been beneficial. The first of these decisions was the subject of considerable debate, partly because the outcome was considered less satisfactory, but also because staff were genuinely dissatisfied with the manner by which this decision had been reached. They recognized that the final decision reflected a compromise between the regional desire to effect this transfer immediately and the department's view that technical and staffing considerations precluded such a transfer before the end of FY81. However, the staff believed that consultations with staff below the level of divisional managers was inadequate and that their deliberations on the damaging effects of premature regionalization on the quality and timely execution of projects currently under preparation had been overruled without adequate explanation. The OPD review that had been carried out to determine the validity of these deliberations was considered by all to be a singularly

unproductive and ill organized exercise which sought little, if any, input from the staff concerned. The staff felt that management's decision to regionalize prior to the date considered technically feasible by project staff should be followed by guidance and support from above on how this could be effectively organized without compromising project quality. As one staff member put it, "Now that they've decided we were wrong, they should show us how it can be done."

6. On the selection of the department head, the staff felt that although on this occasion their views were transmitted to senior management through informal consultations between the Division Chiefs and the Vice President, CPS, such an ad hoc arrangement did not guarantee adequate staff representation in the future and more formal and institutionalized arrangements were desirable.

7. The staff also voiced their concern on a number of other issues. They felt, for example, that senior management was unaware of the extent to which staff were interested in and concerned about longer term policy issues regarding the Bank's role in development; the rate of growth of Bank lending; the emphasis on meeting country lending targets and its effect on the selection and quality of Bank-financed projects; and apparent differences in approach across Bank departments concerned with similar development issues. There was some disagreement on how much staff participation was feasible in the reaching of these broad policy decisions, but a general consensus emerged that management should make greater efforts to seek out staff views and provide more explanations of why certain decisions were made and how they would affect the Bank and its staff.

8. At the divisional level existing arrangements for staff participation were considered to be satisfactory, although here too, it was felt that the present system was too dependent on the personality and philosophy of divisional management and that a more formal system of consultation would be desirable in the event that increased staff participation in the selection of divisional management was not forthcoming. The staff proposed that the devolution of the decision-making process to the divisional level on those issues where greater flexibility would not be incompatible with Bank-wide norms, would be a useful step in the right direction.

9. In terms of specific recommendations for additional participation, there was general agreement that initially the most suitable topic was the division's transfer to the regions. This was seen as an area where improved communications both laterally and vertically could yield high returns in the short term. It was suggested that to start this process regional management should be invited to discuss their plans with the division's staff and to respond to any views or concerns the staff might have. This could be followed up by a continuing process of formal and informal consultation among interested staff and management to enable the timely and effective regionalization of the department.

cc: Messrs. Dunkerley, Churchill, Cook, Mould, Singh, Walters, Madavo, Kahnert, Simmons, Sud, Rathnam, Ms. Jackson (URB); Strombom (LCPUR); Knox, El Darwish (EMP); Picciotto, Geli (ASP)  
Division 2 Staff



## OFFICE MEMORANDUM

TO: Mr. Stephen Heyneman -EDC

DATE: August 27, 1979

FROM: Masood Ahmed-URBD2

SUBJECT: Your Comments on Prosser's (?) PaperPara 3

The emphasis here should be that choices do have to be made between primary vs postprimary (the education budget may be fixed exogenously in some countries and beyond the control of the MOE's who still want advice) but that the only sensible way to do this is on a case by case basis. If you want to use the rate of return terminology, you should equalize marginal rates of return on the various levels of education. These marginal rates vary across countries at any one point in time and for the same country over time so it is impossible to make a meaningful general statement like 40% of funds should go to primary, 35% to secondary etc. However, choices still need to be made and if educators don't make them someone else (less qualified?) would do so.

Para 6

Social returns are the only important ones to consider for national economic purposes. I cannot see the point of your paragraph. You may be suggesting, but I think you are not, that private returns should be considered because of their income redistributive effects, i.e., the actual amounts accruing to the individuals are what enter into their welfare function. In this case you would have to show that these redistributive effects were positive, i.e., the gainers were the poor and that this was an acceptably efficient income transfer mechanism. This may prove difficult.

Again, I can't see the relevance of whether wages are determined by market forces or not. If you are measuring social returns based on shadow prices derived from marginal productivity, the whole issue of wage determination becomes less relevant.

Para 7

This, in my opinion, is mistaken. In evaluating the effect of changing any independent variable, the other variables must be held constant. If you want to look at the increase in crop yields from changing your brand of seed you must determine and correct for any increases in fertilizer that may also be applied over the test period. The argument for education is that if, for example, there are two children A & B and A is brighter/more able and if both were put into the labour market without any education A would earn 20% more than B. Now suppose that there are limited educational opportunities in the country and A, being brighter, is able to avail himself of these opportunities and B does not. Now when they enter the labour market, A's observed earnings are seen to be 50% higher than B's. A first impression could be that education increases earnings by 50% but clearly the actual increase attributable to education is only 30%, the other 20% would have been there any way.


Your footnote 2 is really the correct way to approach this.

MAhmed:sa

## OFFICE MEMORANDUM

TO: Mr. Michael Baxter, PMD

DATE: August 20, 1979

FROM: Masood Ahmed, URBD2 SUBJECT: Confidential Evaluation of YP Rotational Assignment  
in East African Education Projects Division


1. This note summarizes my experience in Mr. Pennisi's division and my views on this division's suitability to provide rotational assignments for YP's in the future.
2. The East African Education Projects Division is influenced, perhaps more than others, by the personality and management style of its Chief, Mr. Pennisi. Young Professionals who can demonstrate to his satisfaction a degree of competence, an ability to work with limited supervision and a willingness to involve themselves in divisional matters outside the scope of their initially charted work program will find a rotational assignment here an exceptionally rewarding experience. In my own case, I enjoyed a varied work program, was given increasing responsibility as quickly as I wanted to take it and was able to gain valuable program experience through participation in the Malawi Basic Economic Mission. I learnt a lot about Bank procedures, policies and "unofficial guidelines"-much of it from Mr. Pennisi himself. His is an open-door management style which facilitates easy and frequent access and, once an initial rapport has been established, he is willing to give generously of his time and experience.
3. Other staff members in this division are, in general, cooperative and easy to work with although there is some distrust of economists and the contribution of economists qua economists towards the processing of most education projects in this region is somewhat limited. My immediate supervisor Mr. Wolff was very helpful and encouraging and Jack Maas made a special effort to involve me in the division's work.
4. In short, this division provides an opportunity for some Young Professionals to make a useful contribution and learn a lot about the Bank and its work. There is a need, however, to carefully consider the personal characteristics of YP's placed in this division and to discuss with the division beforehand the work program proposed for them.

MAhmed:sa

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3. Other staff members in this division are, in general, cooperative and easy to work with although there is some distrust of economists and the contribution of economists qua economists towards the processing of most education projects in this region is somewhat limited. My immediate supervisor Mr. Wolff was very helpful and encouraging and Jack Maas made a special effort to involve me in the division's work.

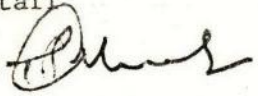
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MAhmed:sa

## OFFICE MEMORANDUM

TO: Division 2 Staff

DATE: August 22, 1979

FROM: Masood Ahmed 

SUBJECT: Divisional Views on PARTAC

1. Following the two divisional meetings on PARTAC, I have been asked to draft a summary of the divisional staff's views on the subject of increased staff participation in the Bank's work.
2. A first draft of this is attached on which I would appreciate your comments, either written or oral, by cob 23rd August, if possible.

Attachment

MAhmed:sa

## PREAMBLE

Macchiavelli, whose qualities as a social historian are unfortunately eclipsed by the notoriety of one of his minor works (The Prince), entitled the last chapter of his commentary on the first decade of the Roman Republic, "Why Rules and Regulations Are Necessary to Preserve Freedom or Why Quintius Fabius Was Given The Title of Maximus." The gist of this chapter is that after a decade of rapid expansion and colonization, during which the citizens of Rome grew considerably both in number and diversity, the Senators felt that the lack of laws and regulations was leading to a situation of anarchy, and proposed that clearly defined rules be enacted to preserve freedom and restore order. Quintius Fabius, however, suggested that enforcing rules and regulations on the free citizens of the Republic would be contrary to the whole spirit of Roman democracy with its essential element of universal participation. He proposed instead that all the citizens of Rome should continue to make an input into the decision making process, with the slight modification that these inputs now be made commensurate with their ability and experience. All that the Senators had to decide, therefore, was how much ability and experience each group of citizens had. For providing this solution to the problem, Quintius Fabius was given the title of Maximus by his peers.

1. Two meetings were held in this division to discuss the staff association's report on PARTAC and to solicit the staff's views on the extent and nature of increased participation in the Bank's decision making process. The main points emerging from these discussions are summarized below.

2. There was considerable dissatisfaction among staff about the Bank's current decision making process on a whole range of issues varying from broad policy questions, such as the role of the Bank and its overall lending policy on the one hand, to more immediate concerns about the timing of the department's regionalization and the selection of departmental management. The staff's basic concern was that on a number of these issues their views were not sufficiently reflected in the Bank's final decisions. The problem was therefore seen as a two-dimensional one. First, senior management were not sufficiently aware of the staff's views on any particular issue and, second, the weight attached to the views of staff in reaching a decision on any issue was seen by many to be too low. These questions are, of course, interrelated but separate. Participation, if it is to be effective, must involve not only additional opportunities for staff to make their views known to management but also for decision makers to take due cognizance of these views. At the same time it was recognized that for management to take into account staff views, it must be reasonably confident that these views were representative of the majority of staff members. As such, the discussion at these meetings focused on improving the channels for communications between staff and management and presupposed, to some extent, that better communication would also lead to more effective representation.

3. There was a general consensus among staff that the priority for increased participation lay in those decisions which were taken outside the department but which directly affected the workings of the department and its constituent divisions. Both the decisions recently taken on the timing of regionalization and the selection of a new department head were seen as examples where increased staff involvement would have been beneficial. The first of these decisions was the subject of considerable debate, partly because the outcome was considered less satisfactory, but also because staff were genuinely dissatisfied with the manner by which this decision had been reached. They felt that the final decision reflected a compromise between the regional desire to affect this transfer immediately and the department's view that technical and staffing considerations precluded such a transfer before the end of FY1981. The staff believed that their deliberations on the damaging effects of premature regionalization on the quality and timely execution of projects currently under preparation had been overruled without adequate explanation. The OPD review that had been carried out to determine the validity of these deliberations was considered by all to be a singularly unproductive and ill organized exercise which sought little, if any, input from the staff concerned. The staff felt that management's decision to regionalize prior to the date considered technically feasible by project staff should be followed by guidance and support from above on how this could be effectively organized without compromising project quality. As one staff member put it, "Now that they've decided we were wrong, they should show us how it can be done."

4. On the selection of the department head, the staff felt that although on this occasion their views were transmitted to senior management through informal consultations between the Division Chiefs and the Vice President, CPS, such an ad hoc arrangement did not guarantee adequate staff representation in the future and more formal and institutionalized arrangements were desirable.

5. The staff also voiced their concern on a number of other issues. They felt, for example, that senior management was unaware of the extent to which staff were interested in and concerned about longer term policy issues regarding the Bank's role in development; the rate of growth of Bank lending and its effect on the selection and quality of Bank financed projects; apparent differences in approach across Bank departments concerned with similar development issues; and recruitment, promotion and staff remuneration policies. There was some disagreement on how much staff participation was feasible in the reaching of these broad policy decisions, but a general consensus emerged that management should provide more explanations of why certain decisions were made and how they would affect the Bank and its staff.

6. At the divisional level existing arrangements for staff participation were considered to be satisfactory, although here too, it was felt that the present system was too dependent on the personality and philosophy of divisional management and that a more formal system of consultation would be desirable. In the event that increased staff participation in the selection of divisional management was not forthcoming.



## OFFICE MEMORANDUM

TO: Mr. Michael Baxter, PMD

DATE: August 20, 1979

FROM: Masood Ahmed, URBD2

SUBJECT: Confidential Evaluation of YP Rotational Assignment  
in East African Education Projects Division

1. This note summarizes my experience in Mr. Pennisi's division and my views on this division's suitability to provide rotational assignments for YP's in the future.

2. The East African Education Projects Division is influenced, perhaps more than others, by the personality and management style of its Chief, Mr. Pennisi. Young Professionals who can demonstrate to their satisfaction a degree of competence, an ability to work with limited supervision and a willingness to involve themselves in divisional matters outside the scope of their initially charted work program will find a rotational assignment here an exceptionally rewarding experience. In my own case, I enjoyed a varied work program, was given increasing responsibility as quickly as I wanted to take it and was able to gain valuable program experience through participation in the Malawi Basic Economic Mission. I learnt a lot about Bank procedures, policies and "unofficial guidelines"-much of it from Mr. Pennisi himself. His is an open-door management style which facilitates easy and frequent access and, once an initial rapport has been established, he is willing to give generously of his time and experience.

3. Other staff members in this division are, in general, cooperative and easy to work with although there is some distrust of economists and the contribution of economists qua economists towards the processing of most education projects in this region is somewhat limited. My immediate supervisor Mr. Wolff was very helpful and encouraging and Jack Maas made a special effort to involve me in the division's work.

4. In short, this division provides an opportunity for some Young Professionals to make a useful contribution and learn a lot about the Bank and its work. There is a need, however, to carefully consider the personal characteristics of YP's placed in this division and to discuss with the division beforehand the work program proposed for them.

MAhmed:sa

DRAFT

MAhmed:sa

8/13/79

To : Mr. Michael Baxter, PMD  
From : Masood Ahmed, URBD2  
Subject : Confidential Evaluation of YP Rotational  
Assignment in East African Education Projects Division

1. This note summarizes my experience in Mr. Pennisi's division and my views on this division's suitability to provide rotational assignments for YP's in the future.
2. The East African Education Projects Division is influenced, perhaps more than others, by the personality and management style of the Chief, Pennisi. Young professionals who can demonstrate to his satisfaction a degree of competence, an ability to work with limited supervision and a willingness to involve themselves in divisional matters outside the scope of their initially charted work program will find a rotational assignment here an exceptionally rewarding experience. In my own case, I enjoyed a varied work program, was given increasing responsibility as quickly as I wanted to take it and was able to gain valuable program experience through participation in the Malawi Basic Economic Mission. I learnt a lot about Bank procedures, policies and "unofficial guidelines"- much of it from Mr. Pennisi himself. His is an open-door management style which facilitates easy and frequent access and, once an initial rapport has been established, he is willing to give generously of his time and experience.

3. The other side of this coin is that he is not equally accessible to all. Some of his staff members, particularly those who do not enjoy this degree of personal rapport, find this management style with its lack of clearly structured guidelines a difficult one to cope with. Responsibility has to be taken through personal initiative and additional work actively sought. When I joined the division, I found the work program charted out for me inadequate and somewhat vague. These difficulties were quickly resolved when I raised this point with him and Ken Sigrist, but I feel that if I had not done so, my rotational assignment in this division would have been far less satisfying. I understand that my predecessor here had similar difficulties and felt that her work program kept her less than fully occupied during the last two months of her assignment.

4. Other staff members in this division are, in general, cooperative and easy to work with although there is some distrust of economists and the contribution of economists qua economists towards the processing of most education projects in this region is somewhat limited. My immediate supervisor Mr. Wolft was very helpful and encouraging. Of the other staff members, Jack Maas made a special effort to involve me in the division's work.

5. On balance, this division provides an opportunity for some young professionals to make a useful contribution and learn a lot about the Bank and its work. There is a need, however, to carefully consider the personal characteristics of YP's placed in this division and to discuss beforehand the work program that the division proposed for them.

*Chow*

# OFFICE MEMORANDUM

TO: Files

DATE: August 9, 1979

FROM: Masood Ahmed, *(M.A.)* URBD2

SUBJECT: JORDAN: Urban Project

## Affordability Analysis for Sites and Services Component

1. This analysis is based on the information presented by the consultants for the Ruseifa Test Project in their second interim report. Costs and their allocation, the distribution of land into marketable and non-marketable areas and the distribution of plots of different sizes are obtained directly from Section 5.4 of this report. Superimposed on this is the following distribution of onplot development which is in accordance with the agreements reached at the end of the July mission.

Table 1: DISTRIBUTION OF PLOT TYPES

Plot Type	Number	Size m <sup>2</sup>	Infrastructure	Superstructure	Percentage
A	117	101	Footpath access	Service core only	15
B	257	101	" "	SC + 1R	33
C	16	101	Road access	SC + IR	2
D	222	101	" "	SC + 2R	29
E	43	144	" "	SC + 2R	5
F	87	144	" "	Site only	11
G	38	300	" "	Site only	5

2. There are a total of 780 residential plots of which 125 (16%) are sold at market prices on a site only basis. The average cost of land and infrastructure is JD 10.95m<sup>2</sup>. Superstructure costs are: sanitary core-JD400; sanitary core and one room-JD850; sanitary core and two rooms-JD1250.

3. First, the surplus generated from the sale of the industrial and commercial plots and residential plots of types F and G is calculated.

Table 2: SURPLUS GENERATED FROM MARKET SALES

Plot Type	JD
38 "Type G" residential plots @ JD20/m <sup>2</sup>	110,863
87 "Type F" residential plots @ JD15/m <sup>2</sup>	65,684
19 shop sites @ JD30/m <sup>2</sup>	4,534
62 workshop sites @ JD25/m <sup>2</sup>	47,770
Overall Surplus	228,851

4. This sum can be applied towards reducing the cost of residential plots for the target population but there is still a need to differentially price these quite different plots. Initially a break even budget for the program is presented based on the following distribution of residential plot prices:

Table 3: DEFICIT FROM SALE OF RESIDENTIAL PLOTS

Plot Type	JD
117 "Type A" plots @ JD5/m <sup>2</sup>	70,311
257 "Type B" plots @ JD6/m <sup>2</sup>	128,487
16 "Type C" plots @ JD8/m <sup>2</sup>	6,345
222 "Type D" plots @ JD10/m <sup>2</sup>	28,352
43 "Type E" plots @ JD12/m <sup>2</sup>	+6,070
Overall Deficit	227,425

5. This overall deficit can be offset against the surplus generated through the sales of plots in Table 2, resulting in a net programme surplus of JD 1426. If these prices were charged the cheapest residential plots offered would be affordable to the 6th/8th percentile and above of the urban income distribution as shown below in Table 4.

Table 4: DISTRIBUTION OF PLOT PRICES AND BENEFICIARIES

Plot Type	Plot & Super-structure Price JD	Building Loan JD	Affordable to household with p.m. income of JD	Corresponding positive on urban income distribution	Percent of project beneficiaries
A	904	up to 300	32/42	6 /8	15
B	1,455	up to 250	50/59	10/14	33
C	2,096	up to 250	73/78	23/29	2
D	2,594	none	90	38	29
E	3,487	none	121	63	5
F	2,796	none	Market Disposal		11
G	6,447	none			

NB: 1. The two income levels for the first three plot types are for households who do not/do take up the building loans.

2. Affordability calculations are based on a maximum of 25% of household income being spent on housing with a 100% mortgage @8.5% over 20 years.

6. It can be seen from these figures that about 80 percent of project beneficiaries are households earning less than the mean urban income level (about JD 100 per month) and that just under half of the project's beneficiaries have household incomes below the Bank urban poverty threshold figure of JD 62 per month.

7. An alternative formulation of this problem would be in a wider context with land for the new development and slum improvement sites being acquired as part of the same program. This would enable surplus funds from the sites and services component being used to offset high land prices for the upgrading site. Obviously this would restrict the range of beneficiaries for the new development sites and this cost would have to be subtracted to estimate the net benefits from such a transfer of funds.

8. This analysis will be done once a clearer picture of slum upgrading costs and their allocation emerges as further work is done on this issue. In particular David Gilmore's report (expected in mid-August), should advance this analysis considerably.

cc: Messrs. Graham, Assimakopoulos, Godavitarne

MAhmed:sa

*Chuan*

## OFFICE MEMORANDUM

TO: Mr. A. Pellegrini, Acting Chief, URBD2

FROM: *Ma* Masoud Ahmed and Basil Assimakopoulos *Sh* URBD2

SUBJECT: Jordan Urban Project: Status of Project Preparation

DATE: July 31, 1979

1. Subsequent to the preappraisal mission of July 15-23, this note outlines the current status of project preparation and the proposed processing schedule for the above project. A full report on the mission's discussions will be issued upon Mr. Graham's return to Washington on August 21. An Aide Memoire outlining the results of the missions discussions with the Government and identifying matters requiring early Government consideration was prepared by the mission and submitted to the Government. A copy of this is attached.

Project Components and Costs

2. The following project components are now envisaged:

(a) Upgrading of four (4) squatter settlements in Amman and legalizing developments at two other squatter sites affecting, in all, about 50,000 people.

(b) Sites and services development, of up to 5000 sites, in Amman and its periphery and Ruseifa in the Amman Zerqa corridor.

(c) Provision of education, health and other community facilities in the above areas.

(d) Employment generation through the provision of artisan lots, credit, training etc. in the above areas, and

(e) Technical assistance to the implementing agencies.

3. Total project cost is estimated at about JD 15.5 million (US\$50 million). The financing plan is yet to be determined, but it is expected that the Bank would finance the foreign exchange component of the project estimated at about \$20 million.

Processing Schedule

4. No change is envisaged in the processing schedule for the project with appraisal still planned for September 8-28. The schedule thereafter is as follows:

Yellow cover appraisal report	November 1979
Negotiations	January 1980
Board presentation	March 1980

Issues

5. There are no outstanding policy issues to be resolved, but, as indicated in the Aide Memoire, a substantial amount of technical work needs to be completed prior to project appraisal. In particular,

(a) physical surveys of two sites need to be completed by early August to enable the consultants to prepare preliminary engineering cost estimates



July 31, 1979

for the slum improvement and new development components of the project;

(b) an institutional plan for project execution needs to be finalized and the capacities and staffing needs of relevant institutions assessed; and

(c) detailed affordability analysis for the slum upgrading sites needs to be carried out in the light of the revised cost figures that will be generated by the physical surveys in (a).

6. The timely completion of this work to a satisfactory standard requires the speedy mobilization of additional staff resources on the part of the consultants. Strong Government guidance and support is also required. However, both parties have indicated that this schedule could be adhered to.

Attachment:

MAhmed:sa

PROPOSED JORDAN URBAN DEVELOPMENT PROJECT

MEMORANDUM

1. A World Bank mission consisting of Messrs. Graham, Assimakopoulos, Ahmad and Gilmore visited Jordan from July 15 - 21 to review with the government the consultants' second interim report and to discuss the programmes for project preparation. Meetings were held with the steering committee, the consultants and with the main agencies involved in project preparation. The main points arising from these discussions are described below :

Project Timetable

2. It was agreed that the project should be appraised from September 8th to 30th by a World Bank mission which would work closely with government officials and the consultants during preparation of their draft final report, due on September 30. Thereafter, loan negotiations are scheduled for January 1980 and presentation of the project to the Executive Directors of the Bank in March 1980. In order to adhere to this programme, a number of actions were agreed upon :
  - (a) the physical surveys of sites to start immediately, with priority given to the slum improvement site of Jofeh and the new development site of Qweisime, the results of which will be available in early August to enable the consultants to prepare preliminary engineering cost estimates for these sites, which can be used to estimate costs for other sites within + - 15% for slum improvement areas and within + - 10% for new development areas. Physical surveys of East Wehdat and other sites will follow these two priority sites, the whole to be completed by end September in order that final engineering can then commence on the sites selected for the first phase of the project. It is envisaged that final engineering would be completed for two priority sites (one slum improvement and one new development) prior to negotiations in January 1980 and that tenders for these two sites would be received prior to presentation of the project to the World Bank Board in March 1980.

- (b) efforts will be made to process the Department of Statistics' socio-economic survey of potential project areas as soon as possible.
- (c) the contract for final engineering design will be awarded as soon as possible to ensure continual progression of the project after appraisal.
- (d) assurances were received that land acquisition would not create any delays in project implementation as under existing laws the physical execution of the project could proceed prior to the formal transfer of land title.

#### Institutions

3. The consultants will recommend the institutional arrangement necessary for project implementation. However, it is tentatively agreed upon the following :
  - (a) Slum Improvement : Municipality of Amman
  - (b) New Developments : The Housing Corporation
  - (c) Administration of funds for Slum Improvements and New Developments : The Housing Bank
  - (d) Line of Credit to Small Scale Business : The Industrial Development Bank
4. It is envisaged that the first two agencies above would be responsible for executing and supervising all physical works connected with the project. It is also envisaged that, upon completion, beneficiary related residential and commercial components may be transferred to the Housing Bank for administration and cost recovery. Further more, the I.D.B. expressed willingness to administer a line of credit to small scale business, the size and nature of which is to be determined.
5. To the extent necessary for project implementation, the capacities and staffing needs of these institutions should be assessed prior to appraisal. In the case of the Housing Bank and the I.D.B., which may receive long term subsidiary loans under the project, assessments of financial viability and ten year source and application of funds forecasts should also be made.
6. Other ministries involved in the project would include the Ministry of Education (for staffing and maintenance of schools), the Ministry of Health (for staffing and maintenance of health centres) and the Ministry of Labour (for staffing and maintenance of vocational training centres). The public

utilities corporations - AWSA, WSC and JEA - would be responsible for maintenance of components related to their fields of activity.

7. Two project managers will be appointed. One, responsible for the upgrading sites, in the Municipality of Amman, and the other for new developments in the Housing Corporation. In addition, a full time Project Coordinator will also be appointed, possibly in the National Planning Council, who will be responsible for the over-all coordination of all project-related activities with other government agencies and with the World Bank. It would be desirable that the Project Coordinator assumes part-time responsibility prior to project appraisal in September 1979 and full-time responsibility prior to loan negotiations in January 1980.

#### Affordability and Standards

8. Standards of on plot development for new sites were discussed and the steering committee accepted the principle of mixed development of residential plots having a sanitary core only or one room plus a sanitary core or two rooms plus a sanitary core, broadly in the following proportions :
- 15% Sanitary core only
  - 35% one room and sanitary core
  - 50% two rooms and sanitary core \*
9. The exact proportions on each site will depend on physical layouts and will take account of any new information generated by the DCS survey.
10. The affordability of the slum upgrading components was not included in the second interim report and was therefore not discussed at the steering committee meeting. However, it is understood from discussions at previous steering committee meetings that costs of infrastructure and land will be minimised to ensure affordability to the residents of these areas.
11. The contents of this aide memoire will be reviewed by the Bank in Washington and a confirming letter sent.

\* This includes a limited number of larger residential plots for middle income private development which will generate adequate cross-subsidies for the lower end of the target population.

Mr. K. Myint, EAIDE

June 28, 1979

Masood Ahmed, EAPED

Swaziland III Education Project - Draft President's Report

I have pleasure in attaching herewith, the project summary and sections III and IV for the draft President's Report for the above project.

Mahmed/bha

cc: Messrs. Pennisi, Wolff, Swahn, Anderson

## SWAZILAND

### Third Education Project

#### Loan and Project Summary

Borrower: Kingdom of Swaziland

Amount: US\$8.5 million

Terms:

Project Description: The objectives of the project are to assist the Government in improving access to, and efficiency and relevance of, primary and junior secondary education and in improving the management capacity of civil servants. Its major components are the construction and equipping of about 40 primary schools, 4 junior secondary schools, and an in-service teacher training center, and the expansion and improvement of teaching facilities at 13 junior secondary schools, the Primary and Secondary curriculum units, and the Swaziland Institute of Management and Public Administration (SIMPA). The project also provides for the free distribution of 750,000 textbooks and 33,000 teachers guides to primary school students and their teachers. The project faces no special risks except that parallel actions to be undertaken by the Ministry of Education, SIMPA, the Swaziland College of Technology and other bilateral and multilateral agencies should be monitored during project supervision.

### Section III

#### The Education Sector

##### Overview

3.1 The formal education system in Swaziland consists of seven years of primary schooling, three years of junior and two of senior secondary education and two to five years of higher education. There has been rapid expansion at all levels since 1973 and both the adult literacy rate (65 percent) and enrollment ratios of the school age population are now higher than in most African countries.

3.2 In 1973 the National Education Commission formulated Swaziland's long term goals for education. These goals, reaffirmed in the Third National Development Plan for 1978-82, are (a) provision of universal primary education (UPE) by 1985; (b) expansion of junior secondary education to provide ultimately a full ten years of basic education to all children; and (c) expansion of upper secondary education and post secondary technical, vocational and university education on the basis of manpower needs. In broad outline, these goals are appropriate for Swaziland and, with some modifications of specific targets, they are financially feasible. Some issues do require attention and these are highlighted below.

## Structure and Issues

3.3. At the primary school level overall enrollment in 1977, was 92% of the school age population and, although there are some regional disparities, the main problems are those of internal efficiency and curriculum reform. 11% of school children repeated the school year in 1976 and only half the entering students completed the full seven year cycle. Improved efficiency requires curriculum and educational material development, improved teacher training and the construction of additional physical facilities. Curriculum and textbooks at the primary level have little relevance to Swaziland's environment and the cost of textbooks, currently paid for by students, is a major factor affecting dropout. A Primary Curriculum Unit, established in 1973, is now embarking on an ambitious program to develop and distribute, at nominal cost to students, more relevant teaching material to the country's primary school students and their teachers. Teachers will need to be trained in the use of this new curriculum, and the quarter or so presently unqualified primary school teachers will need to be upgraded if the full impact of curriculum reform is to be felt. Also in need of improvement are the physical facilities at a number of primary schools, only 53% of which currently offer the full seven year cycle. Building fees, often in excess of US\$25 equivalent per year are charged to students but even these are inadequate for the construction of complete schools. Recently the Government has begun to provide small amounts of funds for construction and these amounts need to be increased if adequate facilities are to be provided.

3.4 Junior secondary education is expanding rapidly in accordance with the Government's long term policy to universalize it. The 1977 enrollment of 15,900 was equivalent to 40% of the population aged 13 to 15 and was half as high again as the enrollment in 1973. Enrollment opportunities for rural students have improved significantly and, with the completion of the two previous Bank Group projects, will continue to do so. Female students, both at the primary and junior secondary levels, represent about half of the total enrollment.

3.5 Efficiency in junior secondary education is high but could be improved. About 80% of children are promoted each year and 70% pass the Junior Certificate Examination. However the quality of instruction, especially in science, needs to be improved and training in practical subjects strengthened. The Secondary Curriculum Unit is preparing a new curriculum which will replace the older, excessively academic one and prototype textbooks are also being prepared. Only about half of all secondary school teachers are fully qualified and, of these, 80% are expatriates. Some of the training programs for junior secondary teachers, especially in the science and technical fields, are inadequate and lack flexibility. Facilities for the teaching of science and industrial arts need to be improved in a third of the country's 70 junior secondary schools, and many of these schools also require additional staff housing, particularly in rural areas.

3.6 At the senior secondary level, the 1977 enrollment of 3400 represented 15% of the population aged 16 and 17. Only half the students pass the School Certificate Examination and even fewer pass mathematics, biology and physical science where the critical manpower shortages lie.

These problems coexist with an overall surplus of senior secondary school leavers over additional modern sector jobs and these students have not tended to work outside it. A growing unemployment problem may result if the system is expanded at this level. The MOE's policy of restricting enrollment at this level to only a third of all junior secondary schoolleavers may be difficult to implement in view of the fact that transition rates are currently about 50% and a freeze on enrollment for the foreseeable future would be required to reduce these rates to a third.

3.7 At the post secondary level, the MOE is responsible for formal education programs at the University of Botswana and Swaziland, which in spite of rapid enrollment increases since 1973 still produces an inadequate supply of scientific and business management specialists, and for non formal and adult training in three institutions which are inadequately coordinated. Outside the MOE, the Ministry of Agriculture provides satisfactory extension services and training to farmers; the Swaziland College of Technology trains technicians and skilled craftsmen, but the college's teachers and facilities are underutilized and its management weak; and the Swaziland Institute of Management and Public Administration lacks adequate facilities and trained staff to discharge its responsibilities of training civil servants.

#### The Financing of Education

3.8 Between 1971 and 1978, the Government of Swaziland devoted 12% of its total capital expenditures to the development of the education system. Over the same period, recurrent expenditures on education grew in line with total recurrent expenditures and averaged about 18%. Government plans for expansion of the system, especially at the primary level, will entail an increase in the share of the capital budget to about 14% over the next seven years, but this is unlikely to prove a major constraint in view of the high proportion of external assistance that the country can continue to expect for the development of its education system. If Government plans to lower student teacher ratios and raise the real salaries of teachers at an annual rate of 3% are implemented, however, the proportion of recurrent expenditure on education will rise more significantly to 25% by 1985, a level which although similar to that in many African countries, would be difficult to achieve in Swaziland given the competing demands from other sectors. An alternative possibility of no increase in real salaries and a slight increase in pupil teacher ratios would result in a much more modest increase in the share of education to 19% of the recurrent budget in 1985.

#### Previous Bank Group Assistance to the Education Sector

3.9 There have been two previous Bank Group financed education projects in Swaziland. The first (credit 518-SW 1974), for the expansion of SCOT and a teacher training college, establishment of a curriculum development center, construction of four inservice teacher training centers and eight rural education centers and the provision of computer equipment to the National Testing and Employment Service. The project is being implemented on schedule and many of the educational objectives of the project have been achieved.



3.10 The second education project (Loan 1478-SW, 1977), provides US\$4.0 million to improve the quality of junior secondary education by expanding and equipping 13 existing junior secondary schools and constructing four new ones. It also provides buildings and equipment for the agricultural teacher training program at the University.

3.11 Overall preliminary evaluation of the first and second projects shows that the MOE has developed a good capacity for rapid physical implementation and many of the project's educational objectives have been achieved, although enrollment increases at non formal education programs and at SCOT have not reached the levels projected at appraisal.

#### Future Strategy

3.12 The Bank's long term objective is to support the Government's educational goals as articulated in the Third Development Plan. Specifically, the Bank's first priority would be to strengthen junior secondary education through continuation of programs initiated under the previous education projects, that is, through supporting curriculum reform and expanding physical facilities at junior secondary schools to enable this new curriculum to be taught. A second and new Bank priority is that of support to primary education in keeping with the high priority allotted by the Government to achieving UFE by 1985. In recognition of the management problems encountered by the first and second education projects as well as by other development programs being implemented in Swaziland, Bank policy would also focus on strengthening the overall management capacity of civil servants. In implementing this strategy, the Bank would take into account the considerable amount of other bilateral and multilateral technical assistance available to Swaziland and the Bank's own comparative advantage in financing large construction and equipment programs at the primary and secondary level.

## PART IV - THE PROJECT

4.1 The project was identified in March 1978 and prepared by the Government with assistance from the Bank. The project was appraised in February 1979 and negotiations are to be held in Washington in October 1979. A staff appraisal report on the project is being circulated separately. Supplementary project data are provided in Annex III.

### Project Objective and Description

4.2 The project aims to assist the Government in improving access, efficiency and relevance of primary and junior secondary education and in improving the management capacity of civil servants. These objectives will be carried out by:

- constructing, furnishing and equipping forty primary schools, four junior secondary schools, and expanding and improving facilities at 13 existing junior secondary schools, SIMPA and curriculum development and in-service training centers;
- providing textbooks and teachers guides to 110,000 primary school students and their teachers; and
- financing evaluation and pre-investment studies.

4.3 Overall, the project would provide for the construction, furnishing, equipping and improving of 13,720 primary and junior secondary school places, 284 staff houses and dormitory space for 26 students at SIMPA.

### Project Details

4.4 a) Primary Schools. The 40 schools constructed under the project would be located primarily in rural areas and, as half the schools would operate on a double shift basis, serve a total of about 16,800 students. The location of schools within each district would be based on the results of a school mapping exercise, being conducted by the MOE, which will be completed by August 1979. The criteria for school location are satisfactory to the Bank and the sites finally selected by the MOE will be reviewed during negotiations. Each school will have seven classrooms, an open multipurpose area, an administration unit and staff housing for seven staff members. This amount of housing is essential to attract trained teachers to the rural areas.

4.5 b) Primary School Textbooks. The project would support the costs of the first four years of a textbook program, during which time about 750,000 books and 33,000 teachers guides would be prepared, produced and distributed free of charge to primary school students and their teachers. The books would be published by a parastatal national publishing agency to be established by January 1, 1980 under an agreement currently being negotiated between the Government and a private international publisher. The Government would prepare, by January 1, 1982, a plan to continue the financing of primary school textbooks after completion of the project (See Para \_\_\_\_ of the draft Loan Agreement).

c) Junior Secondary Education

4.6 New Schools. Four new junior secondary schools to be built under the project are located in areas where the problem of access to secondary education for primary school graduates is particularly acute. These schools will provide a total of 960 new places and will have adequate facilities to teach the proposed new junior secondary curriculum with its emphasis on industrial arts, science, home economics and agriculture. Each school will provide housing for seven of ten staff members.

4.7 Existing Schools. The improvement of 13 existing junior secondary schools will enable them to teach the new junior secondary curriculum, and will bring to two-thirds the proportion of adequately equipped junior secondary schools in the country. Project assistance would enable these schools to enroll an additional 1,560 students. Although overall teacher supply is expected to be adequate, the Government will review and revise, by July 1, 1980 the training program at the Swaziland College of Technology including the training of technical teachers, to ensure that there are no shortages in this critical area (see para \_\_\_\_\_ of the draft Loan Agreement).

4.8 d) Curriculum Development and In-Service Teacher Training. The present facilities for curriculum development are inadequate for the staff working in the Primary and Secondary Curriculum Units. The project would support the construction, and/or improvement of a library/curriculum resources center, a science laboratory, an industrial arts workshop, and six offices. The project would also finance construction of a small, in-service training center in Manzini which would be similar to the four centers constructed under the first education project and would serve as a meeting place for teachers, for in-service training and for the distribution of learning materials. The Government would combine, by January 1, 1981, the Primary and Secondary Curriculum Units and in-service training programs into a single integrated curriculum development department (See para \_\_\_\_\_ of the draft Loan Agreement).

4.9 e) The Training of Civil Servants. The project would support the expansion and improvement of SIMPA facilities to enable it to train 100 students at any one time and provide satisfactory boarding for up to 50 middle and high level officials. Technical assistance to upgrade the quality of staff at SIMPA will be provided by USAID and by IDM, a private management training body, and, with UNDP assistance, the Government is preparing a long-term plan for coordinating the provision of training for civil servants. Disbursement for financing contracts for civil works, furniture and equipment for this component are contingent on the completion of this plan, which is expected before mid-1980 (see Para. \_\_\_\_\_ of the Draft Loan Agreements.)

4.10 f) Studies and Evaluation. The project would provide funds for a number of studies focusing on key educational issues including, inter alia, the measurement of the overall results of primary and junior secondary curriculum reform, the additional pre-testing of learning materials, and an analysis of needs and proposals for the expansion of vocational training, and the preparation of future projects.

### Project Implementation

4.11 The Project Implementation Unit (PIU) already established within the MOE under the first education project, would administer the proposed project. As this project is more complex than the previous two, the Government has agreed to recruit an additional architect and three clerks of works to supplement present professional staff. The project would finance any additional technical assistance or consultants required for implementation. The PIU would be responsible for the architectural design and supervision of all project components. To the extent possible, the primary schools under the project would be constructed by local contractors assisted by community labour. Secondary schools would be constructed on the basis of second project designs and contracts would be tendered in three groups.

### Project Cost and Financing

4.12 The total project cost of US\$ 15.8 million equivalent (including taxes estimated at US\$ 0.6 million equivalent) would be financed by an IBRD loan of US\$ 8.5 million equivalent representing about 54% of total project cost, with the Government of Swaziland financing the remainder from its own resources. The foreign exchange component of the project is estimated at US\$ 8.5 million equivalent. This estimate is based on the assumption that, as was the case with the first and second education projects, international contractors would be unlikely to show an interest in rural school construction, and the majority of building contracts would continue to be awarded to local firms.

### Procurement

4.13 Estimated contracts for civil works, furniture, equipment, and vehicles, totalling about US\$ 14.6 million equivalent including contingencies, would be awarded on the basis of international competitive bidding (ICB) in accordance with the Bank Group's guidelines for procurement. Exceptions to these procedures equivalent to US\$ 8.01 million would be procured as follows:

(a) civil works contracts estimated to cost less than US\$ 250,000 equivalent each (all primary schools and three out of 17 secondary schools) would be awarded according to local bidding procedures acceptable to the Bank. The value of such contracts would be about US\$ 7.0 million equivalent including contingencies;

(b) furniture and equipment contracts estimated to cost less than US\$ 50,000 equivalent each would be awarded according to local bidding procedures acceptable to the Bank. The value of such contracts would be about US\$ 250,000 equivalent including contingencies;

(c) textbooks for primary schools would be procured and distributed to four district centers by a parastatal publishing firm which would be established by January 1, 1980. The value of textbooks to be procured directly from this firm is estimated at US\$ 0.7 million equivalent including contingencies;

(d) transportation services for moving furniture and equipment to school sites would be procured by local procedures acceptable to the Bank or would be implemented directly by the PIU. The value of such contracts would be about US\$ 0.06 million equivalent.

Where ICB is used, local manufacturers of furniture and equipment would be allowed a preferential margin of 15% of the c.i.f. price of competing imports or the total applicable customs duties and import taxes, whichever is lower. Based on experience with civil works contracts under the first and second education projects and on the small size and rural locations of the institutions, it is expected that foreign bidders would not be attracted to civil works and these contracts would be won by local firms.

4.14 The architectural sketch designs, draft tender documents and master lists of furniture, equipment and vehicles, including proposed grouping, would be reviewed by the Bank staff. Items would be grouped, to the extent practicable, to encourage competitive bidding and to permit bulk procurement. Review of tender evaluation documents by the Bank prior to award would be required only for civil works contracts of US\$ 250,000 equivalent and above and for furniture, equipment and textbook contracts of US\$ 50,000 equivalent and above.

#### Disbursements

4.15 Disbursements would be on the basis of (a) 100% of foreign expenditures for technical assistance and for directly imported furniture, equipment and vehicles; (b) 70% of total expenditures for studies, textbooks, and locally procured imported furniture and equipment; (c) 100% of the ex-factory cost of locally manufactured furniture and equipment; (d) 45% of total expenditures for civil works; and (e) 50% of total expenditures for local consultants (i.e. architectural and engineering services), project administration, and local transportation of furniture and equipment. Because of the numerous small items involved, disbursements for project administration, studies, and local transportation of furniture and equipment would be made against certificates of expenditure, documentation for which would not be submitted for review but would be retained by the Government for inspection by the Bank during project supervision. All other disbursements would be fully documented. Project expenditures would be audited annually and audit reports would be provided to the Bank within four months of the end of the Borrower's fiscal year. Retroactive financing not exceeding US\$ 100,000 is recommended for the services of architectural/engineering consultants after July 31, 1979.

4.16 Project Completion. The project is expected to be completed by September 30, 1983, with a proposed closing date of March 31, 1984, including six months for the completion of payments and withdrawals. Not later than three months after the credit closing date, the Government would provide the Bank with a report which evaluates the execution, initial operations, costs and benefits of the proposed project, the performance of the Government and the Bank, and lessons learned during project implementation.

Benefits and Risks

4.17 At both the primary and secondary levels the project would help to provide greater access to education for rural and underprivileged children through provision of 11,200 places at the primary level and 2,520 places at the junior secondary level. The construction program for primary schools would emphasize selection of school locations where children have poor access to primary education or where there is severe overcrowding. The four new junior secondary schools would be located in rural areas with inadequate access to secondary education, and 11 out of the 13 existing secondary schools to be improved would be located outside the three main cities.

4.18 The project would also improve the efficiency and relevance of education and training. At both the primary and secondary levels new curricula are being introduced which would better provide Swazi children with the basic skills needed for them to contribute to Swazi social and economic development. Assistance to SIMPA would specifically strengthen management and administration of the Swazi economy through support of training programs for civil servants. Improved primary and secondary school facilities and related teacher training and education materials would improve promotion rates and achievement, especially in science.

4.19 The project would continue the focus on institution building introduced under the first education project. In particular, through further support of the curriculum development center, the project would strengthen the capacity to prepare appropriate curricula and learning materials, and, through continued support to the PIU, the project would strengthen the capacity for physical implementation of school construction projects. The project would also assist in the establishment of a new, permanent program for mass production of educational materials.

4.20 Risks are not high in the project because the Swazi Government is fully committed to project goals and has the active assistance of numerous bilateral and multilateral agencies. One major uncertainty may be the determination of the effects of curriculum reform, which are difficult to measure because of the complexity of the factors affecting school efficiency and relevance. Support for evaluation programs will provide measurement of at least some of these effects. The main possible obstacle to achievement of project goals lies in the management capabilities of the MOE and the quality of personnel and programs at institutions such as SIMPA and SCOT. These risks would be minimized through implementation of studies to be undertaken on vocational and nonformal education and through technical assistance and training provided by other institutional bilateral agencies.

## OFFICE MEMORANDUM

TO: Mr. Giuseppe Pennisi

DATE: June 27, 1979

FROM: Masood Ahmed

SUBJECT: Malawi Economic Mission - Back to Office and Full Report

1. In my BTO and full report of June 19, 1979, I referred to the difficulty of recruiting a consultant expert to work on the Manpower Survey and indicated that the Government was as yet undecided about whether to use an international expert or do the job themselves, but that the latter course was more likely. (Paragraphs 8 and 9)

2. I have now been informed by Mr. McCleary that following further deliberations since my own departure from Malawi, the Government has, in fact, decided to go ahead with the recruitment of a consultant who will be responsible for the analysis of the survey data and the preparation of a comprehensive report and they are now making efforts to contact suitable candidates. As a result of this decision, the analysis and report should now be completed as per the original schedule, i.e. by the end of this year, and this valuable information may now be utilized in the preparation of the Malawi Basic Economic Report

MAhmed :smm

cc. Messrs. Adler, Hendry, Aklilu, O'Brien, Reese, Sullivan, McCleary,  
Scearce, Wolff, Sinclair, Heyneman, Gulhati

Ms. Shields, Yamaguchi, Hashimoto

## OFFICE MEMORANDUM

TO: Mr. Giuseppe Pennisi

DATE: June 19, 1979

FROM: Masood *W* AhmedSUBJECT: MALAWI - Economic Mission--Manpower Studies  
Back-to-Office and Full Report

1. Under the Terms of Reference dated April 20, 1979, I visited Malawi from May 12 to May 30 in conjunction with the Basic Economic Mission. The dual foci of interest for my mission were the ongoing Manpower Survey being conducted by the Economic Planning Division of the Malawi Government and the School Leavers Tracer Study being carried out jointly by the Ministries of Education and Labour. In addition, I collaborated with Mr. S. Heyneman (CPS) in identifying the nature and extent of post secondary training currently being provided to public and private sector employees outside Malawi's formal education system. Each of these items is dealt with in turn below.

The Manpower Survey

2. For some months now the Economic Planning Division of the Office of the President and Cabinet of the Government of Malawi have been engaged in designing and conducting a survey of skilled manpower in the country as a first step towards forecasting the demand for various types of skilled and educated manpower in the 1980s. The Bank has been involved in providing technical advice and assistance for this exercise from the early stages, and a Bank mission to Malawi in February 1979 discussed, with the Government, progress on the survey and the prospects for continued Bank involvement.
3. The detailed findings of that mission are incorporated in a previous Back-to-Office Report dated March 13, 1979. Briefly, the mission served two purposes. It impressed upon the Government the need to hold a Post Enumeration Survey (PES) which would verify, through a series of in-plant interviews with employers, the accuracy of the information that was being obtained from the unsupervised completion of questionnaires mailed to about 3600 organizations in the public and private sector. The PES could also be used to solicit additional valuable information on employee characteristics, not included on the mailed questionnaires. The mission also discussed with the Government the need for further external assistance to the local planning unit in the design of the PES and the analysis of the survey data.
4. Following these discussions the Government agreed to hold a Post Enumeration Survey in June of this year and indicated that it would welcome any assistance the Bank could provide in designing the sample frame for the PES and identifying what additional information could usefully be gathered during its course. It was also agreed that there was a need for a consultant expert to provide about ten weeks of technical assistance to the Government



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in the analysis of the survey data and the subsequent preparation of a report outlining the policy implications of this analysis. The Government was advised in March that the Bank would have no objection to financing this consultancy contract under the technical assistance component of Malawi Education II.

5. The purpose of this latest mission was, therefore, to assess progress on the phase one mailed survey; to assist in the design of a sample frame for the PES and in the determination of its content and timing; and, to assist in defining the exact nature of the proposed consultancy assignment and in the drafting of suitable Terms of Reference.

6. The mailed questionnaire survey is progressing well. Over 2300 questionnaires have been returned and 85% of these have been satisfactorily completed. Many of the employers that have yet to respond are large organizations in the Government and private sector, which would be a source of some concern were it not for the fact that the bulk of them have notified the Economic Planning Division of an anticipated delay whilst they gather all the relevant information. These firms are expected to send in completed questionnaires by the end of this month. The checking, sorting and coding of returned questionnaires is progressing according to schedule and no problems are anticipated at the Government's Data Processing Unit which has computing responsibility for the project.

7. This implies that the PES can be carried out on schedule in July. A stratified random sample of 308 employers, based on the distribution of firms by industry group and size in the phase one mailed survey, was drawn up at the Bank in May. The Government has accepted this as a sampling frame for the PES and available staff resources combined with the geographical concentration of many of the major employers, will permit the whole exercise to be completed in about four weeks. Regarding the nature of the additional information to be gathered during the PES, it was agreed to place more emphasis on the younger, more recent entrants into the labour market on the grounds that their occupation-education matrix would more closely approximate the one for the new labour market entrants of the 1980s. For this group more detailed information on age, salary, education and occupation by industry would be gathered than for the population as a whole.<sup>1/</sup> This information will also serve as a useful comparator for the data generated by the School Leavers Tracer Study of recent graduates from the secondary school system who have joined the labour force.<sup>2/</sup>

8. Efforts to recruit a consultant expert to work on the Manpower Survey data later this year have not been successful. This has been caused

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<sup>1/</sup> A more detailed description of the PES is attached to the Terms of Reference annexed to this report.

<sup>2/</sup> See para. 10 below.

partly by the lack of suitably qualified candidates who would be available for a ten-week assignment in Malawi beginning in September, just the time when European and North American universities start their academic year, and partly by some indecision within the Government on whether to hire a consultant or do the job themselves.

9. Following our discussions, it was agreed that a viable alternative to hiring a consultant would be for the local manpower planning specialists in the Economic Planning Division to work on the survey themselves, with perhaps the senior economist in charge of the project visiting both experts in Britain (e.g., Jolly, Colclough et al at the IDS in Sussex) and at the Bank for their advice and comments on the preliminary draft of the report. This visit would be made around December 1979. This is a different scenario from the one envisaged in February but there are few intrinsic objections to it except that it will delay completion of the Survey report until the beginning of next year, making the inclusion of this valuable material into the Basic Economic Report unlikely. The mission stressed upon the Government the valuable contribution that even interim results of the manpower survey analysis could make into the Basic Economic Report and the Government agreed to keep the Bank apprised of preliminary results as and when they became available. This information will also be essential in preparing for the Fourth Education Project which will almost certainly concentrate on the training of higher level skilled manpower.

#### The School Leavers Tracer Study

10. The Ministries of Education and Labour of the Government of Malawi have been jointly conducting a tracer study of secondary school students since 1976. This study was initiated soon after a Bank Group Tracer Systems Assistance Mission visited Malawi in July 1975. The baseline survey for the study was administered in June 1976 to about 900 Form II and Form IV secondary school students, and a preliminary report incorporating its major findings was published at the end of that year. Thereafter, the two trace surveys following up on these students were carried out on schedule at one year intervals in June 1977 and 1978, but due to a variety of reasons, primarily the pressure of other work at the Malawi Certificate of Education and Testing Board's (MCETB) computer centre which was responsible for the data processing aspects of the project, no analysis of the trace data was done until March of this year. These problems are detailed in an earlier memorandum written shortly after my previous mission to Malawi in February.<sup>1/</sup>

11. Following discussions with officials of the Ministry of Education stressing the importance that the Bank placed on tracer systems as an operational and evaluative tool in educational planning, both during the course of the February mission and subsequently here in Washington during negotiations for Malawi Education III, data processing for the two trace surveys has progressed

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<sup>1/</sup> "Tracer Systems in Malawi, Swaziland and Lesotho: Lessons for the Future" March 1979.

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at a rapid pace. Prior to this mission's arrival in Lilongwe, preliminary crosstabulations and frequency distributions for the 1977 trace survey had been prepared and data from the second trace survey had been coded and stored on a computer disc file at the MCETB.

12. Unfortunately, further analysis of the second trace data was precluded by hardware failure at the MCETB. The director of the MCETB advised the mission that any further analysis of this data would have to await the installation of their new computer and the completion of the processing of secondary school examination results, both of which would have resulted in a delay of about three months and made inclusion of this valuable information into the Basic Economic Report less likely. After some discussion, the Government agreed to allow the mission to borrow the tracer disc file and have a copy made in Johannesburg by the MCETB's consultant software specialist who would then return the original disc to the MCETB upon his next visit there in July.<sup>1/</sup> This process was successfully completed during Mr. S. Heyneman's stop-over in Johannesburg on his way back from Malawi, and a computer tape with the data from all three surveys is now in his possession at the Bank.

13. This arrangement is a satisfactory one from the Bank's point of view as the data can now be analyzed in time for inclusion in the Basic Economic Report. The mission assured the Government that the Bank would forward to them copies of the results of any analysis done on these data.

#### Identification of Training Outside the MOE

14. In collaboration with Mr. Heyneman, I also looked at the nature and extent of post secondary training provided by public and private sector employers outside the Ministry of Education. This investigation was prompted by the mission's impression that the extent of employer provided training was not only widespread in both the public and private sector, but also that a significant portion of it duplicated the teaching of basic skills in science, mathematics and English that were already being provided within the MOE's institutions, primarily at the secondary school level. This, combined with the almost universal high unit cost per student of these schemes, implies that potential cost savings could be made by transferring the teaching of these basic skills to lower cost secondary schools, with post secondary training schemes specializing in the teaching of specific job related skills that requires a more intensive training atmosphere.

15. The magnitude of these savings can only be estimated after a comprehensive review of employer-operated training schemes in the country, and

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<sup>1/</sup> No compatible computer facilities exist in Malawi which would have enabled the tape copy to be made within the country.

this we were unable to do given the duration of this mission. Nevertheless, on the basis of discussions we had with the training officials in nearly all the Ministries and the visits we made to training institutions operated by these Ministries, we came away with a firm impression that the potential for significant savings exists, at least in the public sector. We held discussions with, among others, the training sections of the Ministries of Personnel Management and Training, Health, Agriculture, Industry, Labour and Finance and also with the resident missions of the British Council, EEC, USAID and other bilateral agencies involved in providing technical assistance in post secondary training in Malawi. We also visited the Colby College of Agriculture, the Staff Training College and the Mikolongwe Veterinary Training School to discuss with their staff issues relating to costs, syllabi and the potential time savings that could result from having entrants with an additional year of secondary school.

16. Our preliminary estimate based on these discussions is that up to 30% of the class time in these institutions is spent on the remedial teaching of basic science, mathematics and English. This is particularly true when the entry qualifications for the scheme are a junior secondary certificate, whereupon the entrants are often upgraded to roughly "MCE" equivalent before being given much specialized instruction. The average annual cost per student in these institutions is well over a thousand Kwacha or four times the cost of an additional year at secondary school.

17. We did not investigate any training schemes being operated in the private sector, but preliminary estimates based on the returned questionnaires of the Manpower Survey, which includes questions on the provision and nature of on-the-job training schemes, suggest that a quarter of all employers, and a much higher proportion of the larger ones, operate some type of training scheme for employees. These questions on training are to be followed up more closely during the Post Enumeration Survey whence a clearer picture should emerge for this sector.

18. On my way back to Washington, I stopped in London to obtain from the Overseas Development Ministry some reports which they had recently prepared on the prospects for skilled manpower in the engineering and technology field in Malawi, in connection with the proposed expansion of the polytechnic and the creation of a Faculty of Engineering at the University of Malawi. This information along with several other reports on specialized manpower needs prepared by other external agencies would serve to build up an interim picture of skilled manpower prospects in the country. However, I was advised by ODM that, contrary to the understanding of the British High Commission in Malawi, they could only let the Bank have a copy of the report after they had cleared it with the Government of Malawi, whereupon they would send it to the Bank in Washington. This I requested them to do.

Attachments

cc: Messrs. Adler, Hendry, Aklilu, O'Brien, Reese, Sullivan, McCleary, Scearce,  
Wolff, Sinclair, Heyneman, Gulhati  
Ms. Shields, Yamaguchi

MAhmed:so

LIST OF OFFICIALS MET

Mr. Banda	Planning Office, Ministry of Education
Mr. Carter	Commissioner, National Statistical Office
Mr. Chigwinembe	Personnel Office, Ministry of Health
Mr. Chirambe	Manager, Data Processing Unit, Blantyre
Mr. Chizimbi	Planning Office, Ministry of Health
Dr. Ellwood	Principal Veterinary Officer, Mikolongwe Veterinary Training School
Mr. Evans	British Council, Lilongwe
Mr. Feathers	ILO Advisor, Ministry of Labour
Mr. Fridge	Economist, Ministry of Trade, Industry and Tourism
Mr. Gibbs	ILO Advisor, Ministry of Labour
Mr. Gondwe	Ministry of Labour
Mr. Grange-Harris	National Statistical Office
Mr. Herdman	First Secretary, British High Commission, Lilongwe
Mr. Kalinga	Principapl Economist, Economic Planning Division
Mr. Kanjo	Senior Economist, Ministry of Personnel Management and Training
Mr. Kawonga	Permanent Secretary, Ministry of Education
Dr. Kimble	Vice Chancellor, University of Malawi
Mr. Kuntiuli	Economist, Ministry of Labour
Mr. Mangulama	Principal Administrative Officer, Ministry of Trade, Industry and Tourism
Mr. Mapunda	Ministry of Labour
Mr. Mawindo	Senior Labour Office, Ministry of Labour
Mr. Mayatt	Head, British Council, Lilongwe
Mr. Metcalfe	Planning Office, Ministry of Health
Dr. Mkandawiri	Director, MCETB
Mr. Mtawali	Personnel Office, Ministry of Health
Mr. Najira	Acting Principal, Staff Training College
Mr. Ngombe	Treasury Economist, Ministry of Finance
Mr. Nthenda	Economist, Economic Planning Division
Mr. Nyirenda	Senior Assistant Registrar, University of Malawi
Mr. Nyirongo	Data Processing Manager, MCETB
Mr. Schmidt	Acting Delegate, EEC
Mr. Soko	Senior Economist, Economic Planning Division

DRAFT TERMS OF REFERENCE for Consultant on Malawi Manpower Survey

1. The Economic Planning Division of the Office of the President and Cabinet of the Government of Malawi has, for some months now, been engaged in designing and conducting a survey of skilled manpower in the country as a first step towards forecasting the demand and supply of various types of skilled and educated manpower in the 1980s. In this connection, the Government of Malawi has decided to engage the services of a consultant expert who will visit Malawi for a two-month period to provide operational assistance and technical advice in the analysis of the survey data and the production of a manpower report outlining the policy implications of this analysis.
2. The administration of the actual survey, planned in two phases, will have been completed prior to the consultant's arrival in Malawi and much of the data will have been sorted, coded and placed on a computer file in the Government's Data Processing Unit in Blantyre. Two sets of data will be available for analysis. The first will incorporate the information gathered during phase one of the survey when questionnaires were mailed to about 3600 of the country's employers asking them to list the occupational structure of their labour force and the minimum and desired educational qualifications associated with these occupations. The employers were also asked to identify those occupations where the firm provided training, where vacancies were difficult to fill or where the formal education system was deemed to provide insufficient knowledge and skills. The overall response rate and the quality of information obtained has been well above average for mailed questionnaires.

3. The second set of data will contain the information obtained from the Post Enumeration Survey to be carried out in July. In addition to verifying the data gathered during the preliminary phase, it will also have additional valuable information on earnings and education. Details of the Post Enumeration Survey are attached to these Terms of Reference.

4. The consultant's role will be to analyze these data and to draw up their policy implication. He will work in close collaboration with senior members of the Economic Planning Division and report to the Principal Economist. His responsibilities will include the following:

a) drawing up a base year education-occupation matrix by industry groups and evaluating the reliability of the preliminary sample data in the light of the information gathered from the PES;

b) developing and implementing a methodology for projecting the growth in demand for skilled manpower that is applicable to this base year matrix and which takes into account sectoral growth estimates, structural change in the economy, prospective changes in relative wages and their effect on demand, etc. He will need to consider any reports that have been done on projecting demand for specialized occupations and assess their impact, if any;

c) developing estimates of projected supply of educated manpower on the basis of the existing stock and the projected additions from the education and training system. He will account for the effect of wastage from death, retirement and migration and adjust for any changes in participation rates or the number of expatriate personnel that may take place; and

d) drawing up the policy implications of any imbalance that the interaction of projected demand and supply may entail both for the planned expansion of the education system and for the proposed rates of growth of sectoral output themselves.

5. The consultant will also play a major role in writing up a report that will detail this analysis and its implications. This report will also deal with the information on training and the difference between desired and minimum education obtained during the course of the survey. It will analyze whether there is any systematic variation between desired and minimum educational qualification required for various occupations or by industry or sector. It will examine whether this is related to the extent to which training is provided in this occupation by the employer to see whether these factors shed any additional light on educational policy and planning in Malawi.

6. A two-month stay in Lilongwe beginning around mid-September 1979 is envisaged, but some flexibility is possible.



The Post Enumeration Survey

1. The Post Enumeration Survey (PES) is the second and final part of the data generation phase of the manpower planning exercise now being conducted by the Economic Planning Division of the Government of Malawi. The PES is to be carried out in July 1979 and will comprise inplant interviews with about 307 employers in the public and private sector.
2. The purpose of the PES is twofold. Its primary aim is to verify, through personal interviews, the information that has already been obtained from the unsupervised completion of mailed questionnaires sent out earlier to nearly 3,600 employers. Over 2,300 of these questionnaires have now been returned, the great majority of which have been accurately and carefully filled out. To some extent, this mitigates the principal criticism of mailed questionnaires. Nevertheless, it is felt that a follow-up survey verifying the accuracy of this information would be a worthwhile endeavour.
3. In addition, the PES also accords the opportunity to solicit certain additional information not included in the mailed questionnaires. This information relates to the educational qualifications of the labour force and the structure of earnings associated with these educational qualifications across the industrial and occupational spectrum. The need to gather this information is now particularly urgent in view of the fact that the proposed full-scale labour force survey, which would have provided, inter alia, precisely this type of data, has now been postponed temporarily and the employment data from the population census now being processed at the NSO will probably not be available until the beginning of 1980.

4. Whereas it is not intended to carry out a full-scale employee survey because staff limitations preclude it even in the limited sample of the PES, it would be profitable to acquire data on average salary by occupation for the labour force as a whole and to concentrate further on the recent entrants to the labour market obtaining, for them, a more detailed picture of the relationships between education, age, occupation and earnings.

5. The rationale for this selective concentration on new entrants lies in the aims of the manpower survey itself. The purpose of this exercise is to estimate the demand for additional skilled manpower that the proposed expansion of output in the various sectors will entail. The bulk of this additional demand will be met from the flow of new graduates through various levels of the formal and non-formal education and training systems. The correlation between required education and job classification for these new entrants will more likely be approximated by the education-occupation matrix particular to recent labour force entrants than for the labour force as a whole.

6. This difference is merely a reflection of the similar change in the education-occupation classification of the labour force in response to an increased supply of educated labour. This change manifests itself more readily in new job applicants and if the extent of this change is to be measured, then recent entrants to the labour force, mostly young people, must be compared with the old or, lacking that, with the average. Data on the minimum and desired qualifications for each occupation by industry are already available from the preliminary survey, but these are not age specific. This additional information on the young will enable us to compare what changes, if any, have taken place over time and how these will affect the projections for future demand.

7. It is proposed, therefore, to obtain the following additional information during the course of the PES:

- a) For all employees:
  - average salary and } by occupation and
  - salary range } education category
- b) For employees under 25 years of age:
  - actual education } by occupation group
  - actual salary }
  - actual age }

All this information will, naturally, be disaggregated by industry groups.

8. A stratified random sample of firms has already been drawn up for the PES. This sample of 308 firms is based on the frequency distribution of firms by size in each industry group. Any occupation with more than 2.5% of the labour force engaged in it has a 99% probability of inclusion in the sample. The total number and percentage of firms sampled in each industry group is as follows:

<u>Industry Group</u>	<u>Sampled</u>	
	<u>Percentage</u>	<u>Number</u>
Agriculture	10	53
Manufacturing	20	61
Electricity	100	1
Construction	20	18
Wholesale & Retail	10	54
Transport	10	32
Finance & Banking	20	25
Services	<u>20</u>	<u>64</u>
Total	14	308

9. In drawing up this sample, only those firms for which an employment code was known were taken into account. For about a 1,200 firms on the Business Register no employment code existed and before the PES commences the returns will need to be examined to ensure that valid returns from previously uncoded firms do not significantly alter the frequency distribution of the population. A preliminary examination of about half of the returned questionnaires has shown that the bulk of uncoded firms are either in the 1-10 employee group or not operational at all. This problem is therefore unlikely to be a major one but a systematic sorting of all questionnaires is in progress to enable a more accurate picture to be drawn up. Details of the PES sample are attached to these Terms of Reference.

SAMPLE FRAME FOR THE POST ENUMERATION SURVEY

Firm Size : No. of Employees

Industry Group	1-4	5-19	20-49	50-99	100-249	250-499	500-999	% of firms Sampled	No. of firms Sampled
Agriculture	1/43	2/164	5/124	6/77	13/69	16/39	10/12	10	53/528
Manufacturing	1/100	3/78	6/42	8/28	23/37	16/16	4/4	20	61/305
Electricity Power					1/1			100	1/1
Construction	1/11	1/30	2/23	1/9	5/10	5/5	3/3	20	18/91
Wholesale & Retail	4/223	14/245	11/48	5/8	14/14	5/5	1/1	10	54/544
Transport	6/196	11/100	6/13	3/3	3/3	3/3	-	10	32/318
Finance & Banking	3/62	8/48	6/14	6/6	1/1	-	1/1	20	25/132
Service as	1/81	6/110	11/61	12/32	13/14	16/16	5/5	20	64/319
Total	17/716	45/775	49/325	41/163	73/149	61/84	24/26	14	308/2238

The first figure in each cell gives the number of firms sampled and the second figure the total number of firms in that category.

Ms. A. Green, PER

July 3, 1979

Masood Ahmed, URBD2

Proposed Change in Medical Insurance Plan

1. Further to our telephone conversation, I am writing to confirm that I would like to change my medical insurance plan to a family plan which would include coverage for my wife.

2. I got married on the 28th of April 1979 in London and proceeded directly to Malawi on mission, returning to Washington on the 5th of June. Immediately after my return to Washington, I informed Personnel by telephone of the change in my marital status and requested all the relevant forms to be sent to me. These forms have been completed and returned to Personnel.

3. Although a period of more than one month elapsed between the change in my marital status and the request for my wife's enrolment in the medical insurance plan, this was caused by my proceeding on operational travel directly from London and only returning to Washington in early June. Under the circumstances I request that the late enrolment procedure be waived in this case. Thank you for your cooperation in this matter.

MAhmed:sa

Mr. Michael Baxter, Administrator YPP

June 13, 1979

Masood Ahmed

Reimbursement of Resettlement Expenses

Following our conversation I am enclosing two reimbursement request forms, one concerning subsistence en route from London to Washington for my wife and the other relating to our joint claim for the shipping of household effects and for my own pre-employment medical which had not yet been claimed for. I hope this format is convenient for you.

Thank you for your efforts in this matter.

Enclosures

MAhmed :smm

## OFFICE MEMORANDUM

TO: Masood Ahmed

DATE: April 20, 1979

FROM: Giuseppe Pennisi

SUBJECT: MALAWI - Basic Economic Mission. Terms-of-Reference

1. Following your annual leave in London, you will proceed to Malawi, arriving in Lilongwe on May 14, to participate in the Basic Economic Mission for about two weeks.
2. Your main concern will be to assess progress on the Manpower Survey now being conducted by the Economic Planning Division of the Malawi Government, and to provide operational assistance in preparing for the second round Post Enumeration Survey that is planned for June-July 1979. In addition, you may also work with Mr. S. Heyneman on the School Leavers Tracer Study.
3. Upon your return to Washington, you will write a Back-to-office report incorporating your findings.

cc: Messrs. McCleary, Heyneman, Colletta, Sinclair, Swahn, Wolff

Miss. Hashimoto





# Record Removal Notice

<b>File Title</b> Masood Ahmed - Chronological File - July to December 1979		<b>Barcode No.</b>  1540552		
<b>Document Date</b> 18 April, 1979	<b>Document Type</b> Memorandum			
<b>Correspondents / Participants</b> To: MJ. Barr, Personnel From: Masood Ahmed				
<b>Subject / Title</b> Application for Financial Assistance - Salary Advance				
<b>Exception(s)</b> Financial Information iv Personal Information				
<b>Additional Comments</b>		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.		
		<table border="1"><tr><td><b>Withdrawn by</b> Sherrine M. Thompson</td><td><b>Date</b> November 08, 2022</td></tr></table>	<b>Withdrawn by</b> Sherrine M. Thompson	<b>Date</b> November 08, 2022
<b>Withdrawn by</b> Sherrine M. Thompson	<b>Date</b> November 08, 2022			

Mr. Sven Sandstrom, Chief URB2

April 13, 1979

Kenneth E. Sigrist, Administrator, YPP

Second Rotational Assignment--Mr. Masood Ahmed.

This is to confirm Mr. Ahmed's transfer from East Africa Projects, Education, to your division for his Second Rotational Assignment in the Program. The transfer will be effective on July 2, 1979, and will last for a period of six months.

I am attaching a "Request for Young Professional on Rotation" form which I would appreciate your completing and returning to me. Before filling it out, however, may I suggest that you meet with Mr. Ahmed for discussion of the division's work program and priorities and his particular interests and expectations.

cc: Mr. Jaycox  
Mr. Pennissi  
Mr. Ahmed ✓

Files

April 11, 1979

Masood Ahmed

Telephone Conversation with Dr. E. Schieselbein Regarding Malawi Manpower Survey on April 10th. Tel: Santiago (562) 287366

1. In connection with the search for a consultant expert to visit Malawi for a two month stay around August to advise the Malawi Government on their ongoing manpower survey, I called Dr. Schieselbein at his home in Santiago, Chile.
2. Dr. Schieselbein used to teach at EDI and has done consulting work for the Bank on a number of occasions. He has just finished work on a manpower survey in Paraguay, and he is highly thought of by CPS Education staff. He had also indicated an interest in this assignment through Mr. Dominguez of ED I.
3. During my conversation with him, Dr. Schieselbein confirmed that he was interested in the assignment but that he would be unable to extend his stay in Malawi beyond the end of August. He would, however, be willing to work on the survey report after August in Santiago. As the Malawi Government has expressed a preference for the timing of the mission to start around the end of August and as they would rather have someone who would work on the survey with the local team in Lilongwe, it appears unlikely that profitable use of Dr Schieselbein's services could be made for this assignment.
4. Nevertheless, I told him that I would contact him upon my return from Malawi if it appeared that the timing of the mission could be advanced and if the Malawi Government was interested in pursuing this course of action. He will be at the Bank, in Washington, during May and June in connection with some consultancy work he is doing for the LAC Education Division.

MAhmed/smm

cc. Mr. McCleary

## OFFICE MEMORANDUM

TO: Files

DATE: April 5, 1979

FROM: Masood Ahmed

SUBJECT: Telephone call to Mr. P. R. G. Layard, Head Centre for Labour Economics, London School of Economics, London.

1. In connection with the search for a suitable consultant to advise the Malawi Government in their ongoing Manpower Survey, I called Mr. Layard at 10:30 a.m. on April 5, to inquire whether he could suggest any possible candidates.
2. Mr. Layard suggested that Dr. P. Fallon, a lecturer in Economics at the University of Sussex, might be a suitable candidate. Dr. Fallon has considerable experience in manpower planning and has recently been advising the Government of Botswana on their manpower plan.
3. However, as Dr. Kimble, the Vice Chancellor of the University of Malawi, currently in Washington for negotiations of Malawi Education III, has already offered to stop in Sussex on his way back to Malawi, and identify suitable candidates there, and as this offer has been accepted by the Bank, no direct attempt to contact Dr. Fallon need be made by us. Instead, Dr. Kimble has been advised of Dr. Fallon's background and possible availability for this job.
4. Action to be taken: none

MAhmed/smm

cc. Mr. Scarce

Mr. Masgod Ahmed, EAPED

February 2, 1979

G. Pennisi, Chief, EAPED

Malawi Economic Mission - Terms-of-Reference

1. After participating in the Swaziland Education III appraisal mission, you will proceed to Malawai on 28 February for about 3 days.
2. During your stay in Malawi, you will assess progress on the Malawi Manpower Survey and the Secondary Schoolleavers Tracer Study, now being conducted by the Government. You will provide technical assistance and advice on both studies and assess the need for any longer term technical assistance that may be required for the speedy completion of these studies.
3. Upon your return to Washington, you will write a back-to-office report incorporating your findings.

GPennisi/ma

cc: Messrs. O'Brien, McCleary, Heyneman, Wolff, Sinclair  
Maas, Ms. Hashimoto

Mr. Giuseppe Pennisi, Chief, EAPED

March 13, 1979

Masood Ahmed, EAPED

MALAWI Economic Mission - Back-to-Office Report

1. Under the terms of reference dated February 2, 1979, I visited Malawi on February 26-28 to assess progress on the Manpower Survey and on the Secondary School Leavers Tracer Study. This back-to-office report focuses on the work being done on the Manpower Survey. For organizational reasons, progress on the Tracer Study is dealt with in a separate note "Tracer Work in Malawi and Swaziland: A Comparative Analysis".
2. The Economic Planning Division of the Office of the President and Cabinet of the Government of Malawi has for some months now been engaged in designing and conducting a survey of skilled manpower in the country as a first step towards forecasting the demand for various types of skilled and educated manpower in the 1980's. This survey is intended to update the information gathered during the 1971 Manpower Survey and shares to a large extent, the methodology and objectives of the earlier version. For this reason it is also open to some of the criticisms made of the 1971 survey both within the Bank and outside it.
3. The present survey, like its 1971 predecessor, relies on information gathered from the unsupervised completion of mailed questionnaires. These questionnaires have already been sent out to the 4,000 firms on the Malawi Business Register, itself a comprehensive listing of all known employers in the country with one exception. <sup>1/</sup> These firms are asked to list the occupational structure of their labor force within the standard one digit classification of occupations and the desired and minimum educational qualifications required for each of those occupations. They are also asked to identify those occupations which are difficult to fill or where the formal education system is deemed to provide insufficient training.
4. Upon their return, the questionnaires are to be checked and coded by a task force of six clerical officers supervised by three professional officers in the Economic Planning Division, all of whom have received special training for this purpose. The first batch of questionnaires was sent out on the 16th of February and the last ten days later. By the end of February

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<sup>1/</sup> The exception lies in the retail trade, where for firms with fewer than 20 employees, only a 10 percent sample designed by the National Statistical Office is included in the Register.

about a hundred completed questionnaires had already been received by the Economic Planning Division and work on coding and checking them had commenced. The bulk of questionnaires is expected to arrive before the end of March and reminders are to be sent to the other firms on the first day of April. All the information from these questionnaires is expected to be coded and punched on computer cards by the end of April and the first listings and simple cross tabulations should be available in time for the Basic Economic Mission in mid-May.

5. This proposed schedule of work is certainly tight, but there are two encouraging reasons why it may still be realistic. The first of these is the high degree of commitment and priority placed by the Government on the timely completion of the survey. This is reflected in the fact that the covering letter sent with the questionnaire was signed by the Secretary to the President and Cabinet, the country's top civil servant; by the adequate staff allocated to the project and the leeway to hire additional staff or use staff from other Ministries as and when required. The second factor is the speed and quality of response from the employers themselves. This has important implications not just for the timing of the project but also for the reliability and confidence that can be placed in the subsequent results. During my visit I examined a number of the completed questionnaires that had been received by the Economic Planning Division and was impressed with the care, time and attention that had obviously been put into filling them out.

6. To some extent this quality of response mitigates the principal criticism of mailed questionnaires. Nevertheless, it would not be sound to plan the country's future manpower resources solely on these results without some kind of follow-up survey which would confirm the results of the mailed questionnaires and solicit additional valuable information through a program of personal contact and inplant interviews. Indeed, one of the objectives of the mission was to stress upon the Government the usefulness and need of a Post Enumeration Survey (PES) of this nature which would give greater credibility to any subsequent analysis. Following our discussions the Economic Planning Division has agreed to conduct such a survey in June and July of this year.

7. It was felt that such a survey could best be done after the preliminary listings from the mailed questionnaires were available in May as these could be used to design the sample frame for the PES. The sampling technique and the size of the sample to be used in the PES are important issues that have to be resolved. Staffing considerations are also important. It was agreed that the clerical officers would not be capable of conducting these interviews satisfactorily and additional professional officers would have to be used. However, the Chief Economist of the Economic Planning Division felt that additional staffing could be arranged in view of the high priority assigned to the project by the Malawi Government.

8. Whereas adequate local staff will be available to conduct the PES interviews, there are two areas where external technical assistance needs to be provided. Firstly, there is a need for about ten weeks of expert time around August-September 1979 to assist the local planning unit with the analysis

of the results of the PES data. The expert's role is seen as operational rather than just advisory. He will join a team of three professional officers who are all committed and competent but only one of whom is familiar with the methodology and techniques of forecasting manpower demand and supply. The expert will provide both operational assistance and advice on technical and methodological refinements. As such, it is essential that the person recruited for this task has operational experience of manpower forecasting at a national level preferably in the African context. He must also be familiar with the state of the art and the literature cataloging the experience of neighboring countries.

9. Clearly, technical assistance of this nature can best be provided from outside the ranks of Bank staff. The recruitment of a consultant expert financed under Malawi Education II is one possibility. In this connection it is worth mentioning that the Economic Planning Division have both expressed a preference for Dr. Colclough and are under the impression that the Bank is trying to contact him for further discussions on this matter. Dr. Colclough is well known for his work on manpower forecasting in Africa and he has already commented on a draft version of the Malawi questionnaire sent to him directly by the Economic Planning Division. His choice is a reasonable one and the Government should be advised that an effort to contact him should be made at the earliest possible time.

10. The other area where technical assistance is needed is in the design of the PES and the sample frame that is to be associated with it. Clearly a 100% sample for the PES would be both impractical and unnecessary, and a workable sample has to be drawn based, inter alia, on the frequency distribution of different sized firms and their relative propensity to employ skilled and educated manpower. The Economic Planning Division has promised to send to the Bank the detailed distribution of firms in the present survey by employee size and industry group. This should prove a useful starting point for designing the PES sample frame. The other purpose of the PES is to solicit additional relevant information that the mailed questionnaires fail to include. The nature and scope of this information has to be decided on and this, too, is an area where the local planners would like external assistance.

11. This technical assistance can economically be provided by direct Bank staff input and the timing of this input (estimated at about 2 man weeks of staff time) coincides well with the Basic Economic Mission in May. If the Basic Mission is delayed, the self contained nature of this exercise implies that it could still be carried out in May perhaps in conjunction with the Education Division's supervision and identification missions in May.

MAhmed/md

cc: Messrs. Wiehen, Adler, Hendry, North/Vogel, Reese, Scearce, Wolff, Heyneman, Colletta, Swahn, Sinclair, Andersen, Van der tak (5), McLeary, Maas, Aklilu (3), Shonubi, Petretti, Abu-Akeel, Chittleburgh, Zymelman, Ms. B. Vogel, H. Yamaguchi, Hashimoto  
Regional Info. Center Messrs. O'Brien, Ecevit



## OFFICE MEMORANDUM

TO: Mr. Giuseppe Pennisi

DATE: March 19, 1979

FROM: Masood Ahmed

SUBJECT: Tracer Systems in Malawi, Swaziland and Lesotho:  
Lessons for the Future

1. This note analyzes progress on Tracer Systems in three countries. Bank involvement with these studies dates back to their inception and they are all wholly or largely financed through Bank Education Projects. This note is based on information gathered during my visit to Swaziland from February 6 to February 25 as part of the Appraisal Mission for Swaziland Education III; my subsequent visit to Malawi from February 26-28 under the separate terms of reference dated February 2, 1979; my discussion with Mr. A. E. Aime who looked at a tracer system in Lesotho during his visit there from February 5 to 27, for Supervision of Lesotho Education I and II.
  2. There are good reasons for dealing with tracer systems in the three countries together. A comparative framework may highlight those issues and difficulties which are of a general enough nature to merit special consideration in designing tracer systems in other Bank projects. But these projects also share a common heritage. They were all established immediately following, and largely as a result of, a Tracer Systems Assistance Mission comprising Messrs. J. Maas and R. Loken that was sent to Malawi, Swaziland and Lesotho in August 1975. Since then however, progress has been slow as the following factual resume shows.
- Malawi
3. Following the 1975 mission a tracer system to follow the progress of 928 secondary school students was established jointly by the Ministries of Education and Labour. The Ministry of Education was to administer the baseline survey and to pay for the computing costs associated with both that and the follow up or trace surveys that were to be conducted annually. Ministry of Labour's contribution was to be the manpower resources required for administering the trace surveys and analyzing the results of both the trace and the baseline surveys.
  4. The baseline survey was conducted in June 1976 and a preliminary report incorporating its findings published in December 1977. This report identified a number of technical problems encountered with the baseline survey which needed attention. A copy of this report was sent to the Bank but no detailed comments have to date been received by the Malawi Government.

5. The first trace survey was conducted in June 1977 and the second one in June 1978. The information from these surveys, the response rate on which had been unusually high at over 80%, has been punched onto computer cards and sent to the Malawi Certificate of Education Testing Board's computer in Zomba for processing. No further progress has yet been made. The computer centre has only been operational for about 10 of the 15 months that they have had the cards of the first trace survey and they have had to cope with other work as well. Nevertheless, a simple listing of the information could quite easily have been provided over this period.

6. The initial tracer cycle planned a second baseline survey for a new cohort of students in May this year. Ministry of Labour officials are keen to go ahead with the survey, but funds from Bank education projects are controlled by the Ministry of Education whose position appears somewhat ambiguous. The head of the Planning Office in the Ministry of Education told me that his Ministry supports the idea of a 2nd cohort survey in principle but feels that the results of the trace surveys on the previous cohort, regardless of what they turn out to be, should be examined before additional funds are committed to a tracer research programme. These results have in turn been delayed because the Ministry's own computer centre has had to forego analysis of the tracer data in favour of work with a higher priority rating.

7. These delays may have been compounded by the rapid turnover of staff connected with the tracer project in the Government. Mr. Sichinga who was responsible for the project in the Ministry of Education and Mr. Upindi, his counterpart at the Ministry of Labour, have both left for courses abroad as has an ILO expert assigned to the Ministry of Labour who was closely involved with the project in its early stages. The officials presently concerned with the project have had little contact with the Bank, received no documents or guidelines on tracer systems from the Bank and were unaware of the Bank's interest in the speedy completion of the tracer studies.

#### Swaziland

8. Swaziland's experience with tracer work has been beset with similar problems. Following the 1975 mission a baseline survey of secondary school students was conducted as an intended first part of a multi-phase tracer programme. The results of this survey were summarized in the "Geary Report" presented in August 1976. Again a copy was sent to the Bank with a request for comments. None were provided. Following Geary's departure from Swaziland, the tracer project lay in abeyance until December 1977 when a fresh proposal was submitted by the Ministry of Education's new planning advisor, Mr. G. Sullivan.

9. This proposal, received and approved by the Bank in early 1978, encapsulated a research programme that was meant to be self-contained. It did not attempt to follow up on the previous work although it would be covering the same ground as a follow up survey to Geary's work would have done. The previous sample was rejected and a fresh sample of school leavers selected for a "one-shot" trace operation with all the attendant problems of treating non-respondents. Nevertheless, the Bank approved the proposed research programme without investigating any further whether it would be possible for the proposed research to follow more closely and benefit from the work that had already been done on tracer systems in Swaziland.

10. Upon receiving Bank approval, Sullivan embarked upon his "one-shot" trace of 2500 ex Form III and Form V school leavers who were to be traced through their old schools, their contemporaries and finally through visits to their home villages by Sullivan and his staff of eight full-time and a number of part-time assistants. Not surprisingly, this ambitious programme soon ran out of the \$20,000 that had initially been allotted to it. Some confusion followed. Sullivan apparently unaware of the Bank's continued interest in the project turned to British ODM for an additional \$17,000 of supplementary financing. A new source of finance had different administrative and bureaucratic procedures and a large proportion of Sullivan's time over a six months period was spent in negotiating with ODM at the expense of furthering his research. During this period Bank Education missions to Swaziland were not aware that such a situation existed.

11. This delay in proceeding with the project assumes greater importance with the now impending departure from Swaziland of Mr. Sullivan. His contract expires in August this year and he intends to return to the United Kingdom then. He had planned to write a preliminary report on his work before he left but this would have meant a cessation of the active tracing of respondents by May resulting in a maximum sample of 1500 leaving 40% of his original sample untraced. This would throw into question the validity of any results obtained from subsequent analysis of the data. I proposed to Mr. Sullivan that he should spend the remainder of his time in Swaziland in tracing his sample and reducing non-response to a minimum. He could continue his analysis of the data upon his return to Oxford where he holds a polytechnic faculty position. This will increase the reliability of the results of this tracer study.

12. Following discussions with the Permanent Secretary in the Ministry of Education and other officials in the Planning Unit this proposal was accepted by all parties. The plan now is for Mr. Sullivan to do his analytical work in Oxford upon his return. He will produce a preliminary report by January 1980 which will be sent for comments to the Ministry of Education and to the Bank. A more comprehensive final report incorporating these comments will be completed by May 1980. For his work on the tracer study

following his departure from Swaziland, Mr. Sullivan is to be paid by the Government of Swaziland from project funds, possibly under procedure III. He will submit a detailed work programme to the Government, a copy of which is to be sent to the Bank for comment, which will determine the size of the fee to be paid but a figure of around \$3,000 is envisaged.

13. The potential for success is now there, but this success will be a very partial one. The fundamental problems of non-respondents generated by his "one-shot" treatment of the subject will qualify any results that are obtained from his data.

#### Lesotho

14. Under the terms of the 1st Lesotho Credit, the Government was obligated to establish an evaluation mechanism for the education system. This it did in the form of a secondary school students' baseline survey in 9 secondary schools. Again this was largely the product of the momentum generated by the Bank's interest, guidance and support in 1975.

15. Much of the work for the baseline survey was done by a Peace Corps volunteer, Miss J. Droegkamp, who was assigned to the Careers Guidance Office. She was also responsible for the preliminary report on the survey's findings submitted in July 1976. Again no comments, advice, or support were offered by the Bank, and in the period following her departure little has been achieved by the local project unit. The present project supervisor, Mrs. Montsi, is willing and interested but, as her letter to the Bank asking for advice shows, desperately in need of technical assistance. She has not received this advice from the Bank, nor does she appear to have been sent a copy of the new tracer guidelines.

#### Conclusions

16. The principal conclusion to be drawn from all this is that tracer systems have failed to live up to their full potential in all three countries. The principal question that we need to ask ourselves is why this has happened and how their performance can be improved in the future.

17. Two reasons can be singled out for this poor performance. The first of these relates to the frequent turnover of staff associated with implementing the tracer projects in the borrowing country. In all three countries the officials that were initially concerned with establishing a tracer programme have now moved on to other departments. The present incumbents have less experience, have often had little or no contact with their predecessors and are not aware to the same extent of the Bank's interest in the continuation of these programmes. This discontinuity in staff has brought about a discontinuity not only in the quality of work but in the nature of the work as well. The most pronounced example of this is Swaziland where a completely

different sample of students was selected for the follow up survey. This rapid rate of staff turnover is a very real problem but it is by no means unique to tracer systems alone. In many spheres of Bank financed projects, staff turnover is a problem that has to be coped with. In most of these spheres we do cope with the problem reasonably well. One of the important benefits of regular supervision missions is to provide a measure of continuity that is often sorely needed.

18. The other reason for this development has been the failure of the Bank to follow up on these studies in a concerted and systematic manner. By and large tracer studies have been started and forgotten; supervision missions have not had the time to adequately determine progress and to iron out difficulties before they became problems; technical assistance has seldom been provided and preliminary reports sent to the Bank for comments simply not been commented upon. In short, having stressed upon these countries the importance that the Bank placed on tracer systems in relation to Bank financed projects in particular and education planning in general, we have summarily failed to treat tracer systems as anything but a poor relative other project components. Examples abound in the above resume. In Malawi, delay in processing the data from the trace survey has resulted in valuable information being postponed and much of the initial enthusiasm and momentum for the project has been lost. With a higher priority rating attached to the project by the Ministry of Education this need not have happened, and a crucial factor in this priority upgrading would have been interest and concern shown by Bank staff during their regular missions.

19. In Swaziland, valuable time has been lost by the need to negotiate supplementary financing through bilateral sources. The project manager for SPED should have brought this need for additional funds to the notice of the Bank. Bank missions should have found this out during their visits last year, and above all the Bank should have questioned the wisdom of the initial research proposal on work with a new sample of students. That this did not happen is testimony to the relatively low priority that has been attached to monitoring tracer studies and ensuring their success within the Bank.

20. This is also the core of the solution. The priority attached to tracer studies in particular and evaluation techniques in general must be upgraded. It must be upgraded because tracer studies are now increasingly recognized as an invaluable tool for short range planning in the educational sector within the overall context of increased emphasis on monitoring and evaluation in Bank financed projects. In the East Africa region alone, the monitoring and evaluation component of education projects totals nearly \$1 million per year. There has been no reduction, too, in the commitment to evaluation and planning in the borrowing countries. There exists a desire and a commitment on both sides to improve planning techniques and to align

more closely the education system to the manpower needs of the country at the post-basic education level. What is needed is technical advice and support from external sources that can turn this commitment into an operationally effective plan.

21. What can we do within the Bank to provide this input more effectively than we have done so far? The following recommendations must be seen as part of a comprehensive package but at their heart lies an explicit priority structure that clearly defines the importance placed on evaluation techniques and therefore tracer systems by the Bank in its project supervision. The most important element in this package is a greater degree of technological specialization within Bank staff. One or two staff members in the Education Division must be involved with and responsible for the evaluation of education projects throughout the region. They may either deal with these components directly or brief other staff leaving on supervision missions to examine certain aspects of the problem. To increase the level of awareness amongst all staff members about tracer systems in the region, occasional seminars may be held by those members of staff who are proficient in the subject. The cooperation of CPS Education Department may be used to bring to bear their knowledge of Bank experience with tracer systems in other regions. This will serve to highlight common difficulties and any other solutions to these difficulties tried elsewhere. Finally, terms of reference for supervision missions should be reviewed to ensure that they specifically include the monitoring of any ongoing tracer studies in the country.

22. These changes are largely organizational but if we are to successfully include evaluation components in education projects they need to be made in the near future.

cc. Messrs. Scarce, Aklilu, Hultin, Heyneman  
EAPED Staff

Mr. Hans Adler, EAP

March 15, 1979

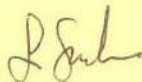
<sup>M. Ahmed</sup>  
L. Swahn, (thru Mr. G. Pennisi), EAPED

Project Related Training

1. We would like to offer some brief comments on Mr. Chittleburgh's reaction to Mr. Pennisi's memorandum to you dated January 31, 1979.
2. We share the view that "the ultimate regionalization of Bank training has never been in doubt" and that a quality improvement is needed. However, we do not believe that there is a trade-off between these goals. The regionalization of PRT will not per se improve the quality of training provided but neither will it lead to the employment of "generalists" who are incapable of understanding the specialized needs of the other sectors. This has not been Bank policy in the past, and the steady demand on the regional education division to provide a PRT input into the region's other sector projects shows that this is not the case in the present.
3. What regionalization will do is ensure that these specialists are also familiar with the needs and facilities of the country as a whole and not just of the project or sector for which PRT is to be provided. This will prevent wasteful duplication and work towards the development of an integrated education and training system. In this context, we would like to stress the similarities rather than the differences that exist between the objectives and treatment of pre-service and in-service training. The most important point here is that all technical and vocational education and training aims at providing competent manpower at all levels for the specific industry it is serving, and that all formal technical education and training, properly arranged, consists of both pre-service and in-service training. With similar aims and goals, with the same type of teachers and instructors, with similar physical facility requirements and the same industry needed for the in-service training, there is little reason to establish separate organizations and administration for the provision of pre-service and in-service training, and economically a coordination of education and training activities has great advantages. The problem with poor teachers and instructors is the same for both the pre-service and in-service programs, and there is no evidence to suggest that the quality of instructors is generally better in in-service training or that the building of separate institution for training improves the quality of instructors.
4. Each region now has at least one agricultural and technical/vocational education/training specialist. Most of the PRT service to the region's divisions can be provided by the education divisions if an additional agriculturist and one additional technical training specialist are recruited.

The selection of the new training specialists is, however, important, and the field of engineering or agriculture should be complementary to those of the existing staff. For example, as 60%-80% of the training in the engineering divisions is in the civil engineering field (highways, ports, railways, airports, water supply, hydraulic power, etc.), one of the trainers should have civil engineering background. Very specialized training programs should--as before--be designed by consultants, and properly coordinated by the training specialists of the Bank.

LSwahn/MAhmed:so





## OFFICE MEMORANDUM

TO: Mr. Richard Sabot, DED

DATE: January 29, 1979

FROM: G. Pennisi, Chief, EAPED

SUBJECT: "A Proposal for a Comparative Study of Labour Market Consequences of Educational Expansion in Africa" - Comments

1. At your request, your proposal was reviewed by several staff members of the Division. Our preliminary conclusions are that the proposal is an interesting document encapsulating a proposed plan of research that might add to the Bank's understanding of how the labour markets of four African countries have adjusted to a marked increase in the supply of educated labour. To this extent it might aid the Bank's operational staff in evaluating and formulating their education sector lending strategy for these countries.

2. Whether the results obtained can be generalized to other countries with any degree of success is less certain. The proposed research and the theoretical framework within which it is to operate is essentially clarificatory and exploratory in nature. A comparative analysis is necessitated by the fact that countries with different labour market structures will tend to react in different ways to the same exogenous change. Certainly, a study of four countries as diverse as Kenya, Zambia, Tanzania and Egypt will tell us a lot more about how labour markets may react to exogenous changes in the supply of educated labour than a study limited to only one country. What is not clear is whether this increase in knowledge will be qualitative as well as quantitative. Will we really be able to generalize from the experience of four countries with more confidence than from a single country study, in more specific terms than we can now? This depends largely on the analytical framework of the proposed study.

3. The framework develops the concept of the occupational production function permitting occupation specific relationships between education and productivity. The relevance of this concept rests largely on how wages are set in a particular labour market. In a flexi-wage economy, an increase in the supply of educated labour reduces its wage and although some educated workers have to filter down into jobs that were previously associated with lower levels of education all workers with the same education receive the same wage, regardless of the job they do. This is not significantly different from the standard neoclassical model.

4. If, on the other hand, wages are institutionally determined and do not respond to changes in underlying conditions of demand and supply, an increase in the supply of educated labour may lead to either educated unemployment or to the situation where occupation rather than education may be

the prime determinant of wages. However, contrary to what the proposal says,<sup>1/</sup> persons with different education can only earn the same pay if there is job security or if the expansion in any particular education category is not great enough to fill all the jobs that were previously being done by those with the immediately lower education level.<sup>2/</sup>

5. The framework therefore provides an interesting interpretation of labour market behaviour, but its implications are not conceptually startling. Nor are they in any sense inconsistent with the results that would be obtained by constrained maximization of a neoclassical model of labour market behaviour. If these constraints are present, i.e., if these are capital market imperfections, rigid wages and job security then these must be taken into account. And taking them into account will result in labour market behaviour that is different from that we would expect from competitive markets unfettered by imperfections.

6. The same argument applies to the proposal's treatment of the brain drain.<sup>3/</sup> It is difficult to see why the possibility of a brain drain from the country should be treated as "a reason for wages rigidity". A brain drain results in a reduction in the supply of educated manpower available for the domestic market. If this reduces the surplus of educated manpower in the country and thereby prevents wages from falling to the level they would in its absence, that can hardly be classified as wage rigidity. Wage rigidity can more properly be classified as the non-responsiveness of wages to conditions of excess demand and supply. It would be more apparent if wages did not fall in spite of there not being an exodus of educated manpower from the country.

7. None of this is meant to detract from the value of the proposed research. If these imperfections do exist then their effects should be analyzed and their presence taken into account. It is unlikely, however, that this research will generate an operational framework that can be easily transferred to other countries not included in this study. Differences in labour market structure will result in different responses. If these

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<sup>1/</sup> P. 20, lines 2-6 of the proposal.

<sup>2/</sup> If there is no job security than even with wage rigidity, those job seekers who are more educated will replace all those incumbents with a lower educational level from the next lower rung in the occupational ladder because their productivity is higher and they are therefore preferred by the employers. Only if there are insufficient numbers of better educated people filtering down will there be people with different educational qualifications in the same occupation and receiving the same wage.

<sup>3/</sup> P. 20, para. 1, of the proposal.

responses are to be predicted successfully, then the structure of the particular labour market will have to be analyzed. This is precisely what the above research proposes to do for Kenya, Tanzania, Zambia and Egypt. If we wanted to understand how the labour markets of the Sudan, Somalia, Madagascar, Rwanda and Burundi would react, we would have to do much the same type of analysis for those countries. It is doubtful whether the study of one set of countries would add very much to our understanding of issues in the other set.

8. This leads us into the question of whether we should, in fact, conduct this research in the four countries proposed. Kenya, Zambia and Tanzania are four African countries about which the Bank is relatively better informed. Indeed there is a considerable amount of related and sometimes overlapping work now in progress on those countries. These are also countries for which well developed data sets are known to exist. This would certainly facilitate empirical analysis and reduce the overall costs of the research programme. But this should not be an overriding consideration.

9. The important question here is the following: Given the Bank's limited allocation of funds for research in education, is it optimal for us to concentrate on more detailed and rigorous analysis of certain aspects of labour market behaviour in countries about whom we are already relatively better informed, or should we attempt to improve our knowledge and understanding of the effects of educational expansion in countries like the Sudan, Somalia, Madagascar, Rwanda and Burundi where our current state of knowledge leaves a lot to be desired? The choice is not an easy one to make. In many of these countries our need to know more is matched by a paucity of data that would make the results of any analysis subject to a greater margin of error. However, there is no reason why we should not initiate a small number of sample surveys if these could add significantly to our understanding of the workings of these labour markets. A comprehensive research proposal such as this would be the ideal vehicle for these surveys and would ensure their quality and consistency. The need for this additional knowledge is underscored by the active nature of the Bank's current and projected lending programme for education in these countries. We cannot help but feel that even tentative results about these hitherto less charted areas would be of enormous operational value to Bank staff in the evaluation of their inter-sectoral lending strategy and intro-sectoral project formulation.

10. In any case, the proposal itself acknowledges that the complexity of the subject and the presence of special characteristics that are difficult to quantify, imply that the aim of the research will be "not to produce definitive statements on all the relevant issues, but rather to provide a reconnaissance of these issues as a basis for further research". It considers it "unlikely that occupation production functions will be estimated" and states that "precise estimates of the trend in the yield on education investment will not be attempted".

11. Even less may be possible for the countries that we are proposing instead. Nevertheless, the transfer of focus to these countries, even if it serves to provide only a partial and tentative assessment of the underlying trends and structures, will be of enormous value to the Bank's operational staff. The gains from this transfer of interest may well outweigh the loss of the additional insight that the research would have provided in well charted waters. We feel such a transfer of focus to be in the best interests of the Bank's operational activities.

MAhmed/JMaas/GPennisi/md

cc: Messrs. Aklilu, Gulhati, Hendry, O'Brien, Maubouche, Scearce,  
T. King, Maas, M. Ahmed, L. Wolff

## OFFICE MEMORANDUM

M. Ahmed (chron)

TO: Mr. Hans Adler, EAP

DATE: March 19, 1979

FROM: G. Pennisi, EAPED

SUBJECT: Project Related Training

Re: Training Unit Memorandum of February 7, 1979

1. I have reviewed and extensively discussed within the Division the Training Unit's note to you of February 7, 1979, and would like to offer a few comments which may be helpful to the forthcoming study on the organization of Project Related Training (PRT) within the Bank.
2. We share the view that "the ultimate regionalization of Bank training has never been in doubt" and that a quality improvement is needed. However, we do not believe that there is a trade-off between these goals. The regionalization of PRT will not per se improve the quality of training provided but neither will it lead to the employment of "generalists" who are incapable of understanding the specialized needs of the other sectors. This has not been Bank policy in the past, and the steady demand on the regional education division to provide a PRT input into the region's other sector projects shows that this is not the case in the present.
3. What regionalization will do is ensure that these specialists are also familiar with the needs and facilities of the country as a whole and not just of the project or sector for which PRT is to be provided. This will prevent wasteful duplication and work towards the development of an integrated and well-balanced education and training system. In this context, we would like to stress the similarities rather than the differences that exist between the objectives and treatment of pre-service and in-service training. The most important point here is that all technical and vocational education and training aims at providing competent manpower at all levels for the specific industry it is serving, and that all formal technical education and training, properly arranged, consists of both pre-service and in-service training. With similar aims and goals, with the same type of teachers and instructors, with similar physical facility requirements and the same industry needed for the in-service training, there is little reason to establish separate organizations and administration for the provision of pre-service and in-service training, and economically a coordination of education and training activities has great advantages. The problem with poor teachers and instructors is the same for both the pre-service and in-service programs, and there is no evidence to suggest that the quality of instructors is generally better in in-service training or that the building of separate institutions for training improves the quality of instructors.
4. Each regional office now has at least one agricultural and technical/vocational education/training specialist. Most of the PRT service to the region's divisions can be provided by the education divisions if an additional

agriculturist and one additional technical/vocational training specialist are recruited. The selection of the new training specialists is, however, important, and their field of engineering or agriculture should be complementary to those of the existing staff. For example, as 60%-80% of the training in the engineering divisions is in the civil engineering field (highways, ports, railways, airports, water supply, hydraulic power, etc.), one of the trainers should have a civil engineering background. Very specialized training programs should--as before--be designed by consultants, and properly coordinated by the training specialists of the Bank.

cc: Messrs. Hendry, Bronfman, Lynn, Projects Division Chiefs of Eastern Africa.

LSwahn/MAhmed:so

*M. Ahmed*

Mr. Richard Sabot, DED

January 29, 1979

G. Pennisi, Chief, EAPED

"A Proposal for a Comparative Study of Labour Market Consequences of Educational Expansion in Africa" - Comments

1. At your request, your proposal was reviewed by several staff members of the Division. Our preliminary conclusions are that the proposal is an interesting document encapsulating a proposed plan of research that might add to the Bank's understanding of how the labour markets of four African countries have adjusted to a marked increase in the supply of educated labour. To this extent it might aid the Bank's operational staff in evaluating and formulating their education sector lending strategy for these countries.

2. Whether the results obtained can be generalized to other countries with any degree of success is less certain. The proposed research and the theoretical framework within which it is to operate is essentially clarificatory and exploratory in nature. A comparative analysis is necessitated by the fact that countries with different labour market structures will tend to react in different ways to the same exogenous change. Certainly, a study of four countries as diverse as Kenya, Zambia, Tanzania and Egypt will tell us a lot more about how labour markets may react to exogenous changes in the supply of educated labour than a study limited to only one country. What is not clear is whether this increase in knowledge will be qualitative as well as quantitative. Will we really be able to generalize from the experience of four countries with more confidence than from a single country study, in more specific terms than we can now? This depends largely on the analytical framework of the proposed study.

3. The framework develops the concept of the occupational production function permitting occupation specific relationships between education and productivity. The relevance of this concept rests largely on how wages are set in a particular labour market. In a flexi-wage economy, an increase in the supply of educated labour reduces its wage and although some educated workers have to filter down into jobs that were previously associated with lower levels of education all workers with the same education receive the same wage, regardless of the job they do. This is not significantly different from the standard neoclassical model.

4. If, on the other hand, wages are institutionally determined and do not respond to changes in underlying conditions of demand and supply, an increase in the supply of educated labour may lead to either educated unemployment or to the situation where occupation rather than education may be

the prime determinant of wages. However, contrary to what the proposal says,<sup>1/</sup> persons with different education can only earn the same pay if there is job security or if the expansion in any particular education category is not great enough to fill all the jobs that were previously being done by those with the immediately lower education level.<sup>2/</sup>

5. The framework therefore provides an interesting interpretation of labour market behaviour, but its implications are not conceptually startling. Nor are they in any sense inconsistent with the results that would be obtained by constrained maximization of a neoclassical model of labour market behaviour. If these constraints are present, i.e., if these are capital market imperfections, rigid wages and job security then these must be taken into account. And taking them into account will result in labour market behaviour that is different from that we would expect from competitive markets unfettered by imperfections.

6. The same argument applies to the proposal's treatment of the brain drain.<sup>3/</sup> It is difficult to see why the possibility of a brain drain from the country should be treated as "a reason for wages rigidity". A brain drain results in a reduction in the supply of educated manpower available for the domestic market. If this reduces the surplus of educated manpower in the country and thereby prevents wages from falling to the level they would in its absence, that can hardly be classified as wage rigidity. Wage rigidity can more properly be classified as the non-responsiveness of wages to conditions of excess demand and supply. It would be more apparent if wages did not fall in spite of there not being an exodus of educated manpower from the country.

7. None of this is meant to detract from the value of the proposed research. If these imperfections do exist then their effects should be analyzed and their presence taken into account. It is unlikely, however, that this research will generate an operational framework that can be easily transferred to other countries not included in this study. Differences in labour market structure will result in different responses. If these

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<sup>1/</sup> P. 20, lines 2-6 of the proposal.

<sup>2/</sup> If there is no job security than even with wage rigidity, those job seekers who are more educated will replace all those incumbents with a lower educational level from the next lower rung in the occupational ladder because their productivity is higher and they are therefore preferred by the employers. Only if there are insufficient numbers of better educated people filtering down will there be people with different educational qualifications in the same occupation and receiving the same wage.

<sup>3/</sup> P. 20, para. 1, of the proposal.



responses are to be predicted successfully, then the structure of the particular labour market will have to be analyzed. This is precisely what the above research proposes to do for Kenya, Tanzania, Zambia and Egypt. If we wanted to understand how the labour markets of the Sudan, Somalia, Madagascar, Rwanda and Burundi would react, we would have to do much the same type of analysis for those countries. It is doubtful whether the study of one set of countries would add very much to our understanding of issues in the other set.

8. This leads us into the question of whether we should, in fact, conduct this research in the four countries proposed. Kenya, Zambia and Tanzania are four African countries about which the Bank is relatively better informed. Indeed there is a considerable amount of related and sometimes overlapping work now in progress on those countries. These are also countries for which well developed data sets are known to exist. This would certainly facilitate empirical analysis and reduce the overall costs of the research programme. But this should not be an overriding consideration.

9. The important question here is the following: Given the Bank's limited allocation of funds for research in education, is it optimal for us to concentrate on more detailed and rigorous analysis of certain aspects of labour market behaviour in countries about whom we are already relatively better informed, or should we attempt to improve our knowledge and understanding of the effects of educational expansion in countries like the Sudan, Somalia, Madagascar, Rwanda and Burundi where our current state of knowledge leaves a lot to be desired? The choice is not an easy one to make. In many of these countries our need to know more is matched by a paucity of data that would make the results of any analysis subject to a greater margin of error. However, there is no reason why we should not initiate a small number of sample surveys if these could add significantly to our understanding of the workings of these labour markets. A comprehensive research proposal such as this would be the ideal vehicle for these surveys and would ensure their quality and consistency. The need for this additional knowledge is underscored by the active nature of the Bank's current and projected lending programme for education in these countries. We cannot help but feel that even tentative results about these hitherto less charted areas would be of enormous operational value to Bank staff in the evaluation of their inter-sectoral lending strategy and intro-sectoral project formulation.

10. In any case, the proposal itself acknowledges that the complexity of the subject and the presence of special characteristics that are difficult to quantify, imply that the aim of the research will be "not to produce definitive statements on all the relevant issues, but rather to provide a reconnaissance of these issues as a basis for further research". It considers it "unlikely that occupation production functions will be estimated" and states that "precise estimates of the trend in the yield on education investment will not be attempted".

11. Even less may be possible for the countries that we are proposing instead. Nevertheless, the transfer of focus to these countries, even if it serves to provide only a partial and tentative assessment of the underlying trends and structures, will be of enormous value to the Bank's operational staff. The gains from this transfer of interest may well outweigh the loss of the additional insight that the research would have provided in well charted waters. We feel such a transfer of focus to be in the best interests of the Bank's operational activities.

MAhmed/md

cc: Messrs. Aklilu, Gulhati, Hendry, O'Brien, Maubouche, Scearce  
T. King, M. Ahmed, L. Wolff

## OFFICE MEMORANDUM

Mr. Ahmed

TO: Mr. Giuseppe Pennisi

DATE: January 18, 1979

FROM: Masood Ahmed

SUBJECT: SWAZILAND - Education III

Comments on "Skills for the Future. Education and  
Manpower Perspectives in Swaziland."

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1. "Skills for the Future" is a comprehensive and well presented description of the employment position and prospects in the formal sector of Swaziland's economy. As such its implications for policy formulation with respect to education, training and incomes in this sector are important and worthy of official consideration.
2. The report's major weakness lies in its own terms of reference. By dealing exclusively with the formal sector and largely with skilled employment within the formal sector, its contribution to employment policy at the national level is severely curtailed. In Swaziland the traditional sector provides, and will continue to provide during the third plan period, employment for the bulk of the labor force. Any report which fails to consider the needs and challenges facing this sector can at best provide a partial picture of the country's employment problems. At worst, it may generate a mistaken belief that solving the manpower problem of the formal sector is tantamount to resolving employment issues for the country as a whole.
3. That this is manifestly not the case can be easily demonstrated. The current predominance of the traditional sector is reflected in the fact that two-third of Swaziland's total labor force of 170,000 is employed in it. And within the formal sector, skilled jobs only amount to about 18,000 or 30% of the formal sector labor force. Nor is the future likely to be very different. On average, an additional 8,000 newcomers are expected to join the labor force every year for the next decade. Only 4,000 of them can hope to find jobs in the formal sector, and less than a quarter of these jobs will require any degree of skill. The report acknowledges this to be the case, but it is disturbing to note that it goes no further. Its conclusions and recommendations must, as a result, be of only limited relevance.
4. Even within its restricted framework, the analysis suffers from a number of minor shortcomings. Many of these are the result of inadequate time and insufficient data that the authors had to contend with. The following remarks should not therefore be construed as criticisms of this particular piece of work; rather they are aimed more at enabling any future studies in this field to avoid these pitfalls.

5. Demand Projections. The future demand for skilled workers is projected at a highly disaggregated level--in particular for 280 worker sub-groups. This generates a series of numbers, but it is worth stressing that these should not be treated as being anything other than general indicators. The report itself points out that these projections rest on four important and rather tenuous assumptions which could be a source of some error. What it needs to do is examine in far greater detail the effect on these projections of relaxing some of these assumptions.

6. Two of the four assumptions will almost certainly not hold true over the next decade. It is extremely unlikely for example that the educational qualifications required for entry into particular jobs will remain unchanged. They have not done so in the past, as the report itself shows. According to the employers' survey, 30% of all skilled jobs in the country would require a successful new applicant to have higher educational qualifications than the present incumbent. Experience from other LDC's has also shown that spiralling educational requirements for formal sector jobs often go hand in hand with the uncontrolled expansion of general secondary education. If the expansion of secondary education in Swaziland continues unabated, there is little reason to believe that the results here will be any different.

7. With spiralling credentialism there will also be the growing problem of educated unemployment. In its presence there is little reason to expect relative wage differentials for educated workers to be maintained at their present level. The effects of relaxing this other important assumption on the projected demand for skilled workers is directionally obvious, but a more detailed quantitative assessment needs to be made.

8. Supply Projections. The methodology used in the supply section is weak. The use of arbitrary participation rates borrowed from neighboring Botswana may have been necessitated by the lack of an indigenous data base but it weakens the very foundation on which these projections are built. This procedure needs to be revised in future efforts. Even less satisfactory is the assumption that these participation rates will not change in the 1980's. The growth in educated unemployment, the consequent fall in relative wages, a secular increase in the participation rates for women and a host of other socio-economic factors will almost certainly affect labor force participation decisions. These factors must be taken into account in any future analysis. A further degree of inaccuracy is introduced into these estimates by the use of mortality rates dating back to 1966.

9. Earnings. It is in the treatment of formal sector earnings patterns that the analysis of the report could most easily be improved. Mean earnings data for a variety of formal sector skilled jobs by educational level are presented in tabular form. Yet little is done to bring these figures together in any systematic way. There are references to the enormous private rewards associated with additional education in Swaziland but no attempt is made to systematically quantify these rewards. Nor do the figures that are given standardize for the effects of experience (or age) on earnings. In view of the strong association between experience and earnings (especially in jobs requiring some degree of skill) that can be observed in most LDC's, it makes little sense to look only at the mean earnings for different levels of education, unless we have reason to believe that the age structure of the different educational sub-groups is markedly similar. The report itself shows this not to be the case in Swaziland.
10. Furthermore, it is unclear that the rewards for additional education in the formal sector are really all that large. Five years of primary education result in an 80% increase in earnings in the private sector and less in the government sector. A further five years of secondary education only add another 50% to private sector wages. These ad hoc illustrations serve to show how difficult it is to quantify the additional income streams that result from more education without following a standard procedure that evaluates these gains in a consistent manner. We are aware of the difficulties associated with the use of cost-benefit analysis in educational projects, but in this case where different educational "projects" are being compared, the calculation of some rates of return at the various stages of the educational cycle would not be entirely wasteful.
11. What the report fails to consider in any depth is the additional income gains that accrue merely from being in the formal sector, regardless of educational achievement. The median unskilled industrial wage is around E50-60 per month. This is nearly five times the average monthly income in subsistence agriculture. No data is presented for the effects of education on incomes in the traditional sector, and there is no discussion of earnings patterns outside the formal sector. This makes it difficult to evaluate the exact gains that joining the formal sector brings, but even the scanty data available shows them to be significant and large. This point should be borne in mind in any future analysis of earnings differentials and the interplay of earnings in the two sectors should be given greater consideration.
12. Two further points must also be mentioned here. First, the report is vague in its treatment of the urban self-employed. From the questionnaire it appears that the manager or owner of an establishment was included in the survey if he satisfied the very liberal requirements

laid down for skilled worker status. This, of course, can lead to all kinds of inaccuracies in establishing mean earnings. It is often the case (in small establishments in particular) that the earnings of the self-employed are insufficiently sub-divided into earnings from labor and from capital. If the owner's total remuneration has been classified as wage income, when part or most of it should properly be treated as the rental income from capital, an upward bias will result in the mean earnings estimates for the self-employed. If, in addition, the owners have had above average education, this bias will be transferred to the higher earnings that are associated with additional education. This bias, if it exists, should be corrected for. A simple procedure would be to isolate the self-employed in the sample and examine them separately.

13. Secondly, the exclusion of additional payments such as overtime pay will again result in understating the earnings of the lower educational groups if they receive a higher than average proportion of their total emoluments in this form. This can be easily corrected for by considering total rather than basic mean earnings in the future.

14. Localization. The Government's policy of speedy localization is laudable, but it is disquieting that the report fails to give any consideration to the many complementarities that exist between different types of labor, as much as between capital and labor in the production process. Swaziland's greatest labor shortage is in the field of semiskilled workers, technicians and artisans. Eliminating this bottleneck will not only remove one of the major supply constraints on formal sector growth but also provide the greatest number of additional skilled jobs. In addition, it must be recognized that in the private sector at least, there is often an element of joint supply between expatriate personnel and physical capital inputs. A removal of one may lead to a withdrawal of the other and this will hardly help the overall employment situation. The numbers involved are, in any case, small. Complete localization would, ceteris paribus, provide 3,000 additional skilled jobs. It would do nothing to fill the 650 vacancies that already exist in skilled jobs in the formal sector.

15. Certainly there is evidence to suggest that private sector firms are not doing all they can to encourage and enable Swazi workers to develop skills through on-the-job training and apprenticeship programs. The report's recommendation that the Government restrict further the issue of work permits for expatriate personnel could profitably be replaced by the more constructive suggestion that an increase in OTJ training and/or apprenticeship programs for the indigenous work force be made a requisite for the granting of additional work permits for non-Swazi workers.

16. Conclusions. This report provides some much needed information on the employment prospects for skilled workers in the formal sector of Swaziland's economy. To this extent it is a valuable tool in aiding policy formulation for this sector. However, it suffers from a cardinal sin of omission by not dealing with the traditional sector. Given the overwhelming importance of the traditional sector in the context of employment in Swaziland, this imposes severe limitations on the scope and relevance of this analysis. Any successful attempt to analyze the employment prospects and manpower requirements for the country as a whole must take into account the needs and problems of workers in the traditional sector. This, the report does not do.

17. In addition, certain improvements in analysis and presentation could usefully be made in future studies of this nature. A number of these shortcomings are the result of an inadequate data base, and it is imperative that this data base be developed within the country if future efforts to assess Swaziland's employment prospects are to avoid these pitfalls.

cc: Messrs. Scearce, Wolff, Sullivan, Andersen  
Ms. M. Thalwiz

MAhmed:so

M. Ahmed, EAPED

Swaziland Education III: Issues in Secondary Education

1. One of the issues that has to be decided both in the immediate context of Swaziland Education III and in determining the Bank's education sector lending strategy in Swaziland is the extent to which the Bank Group should support and provide assistance to the Government of Swaziland in bringing about a general expansion of junior secondary education. This expansion is sought by the Government as part of its plans for a ten year basic education cycle and to meet the growing demand for school places at the junior secondary level.
2. The historical development of Swaziland's educational system is well documented. The rapid expansion of formal education has taken place at the expense of teacher quality and an academic bias in curriculum choice has meant that many of today's secondary school leavers find themselves without the necessary skills required for formal sector employment. As a consequence, there is a continuing shortage in Swaziland today of technicians, artisans and craftsmen in particular and of science and math trained graduates in general. At the same time, there is an overall surplus of educated manpower that cannot find jobs in the modern sector and is unwilling to return to the traditional sector because of its training and aspirations.
3. Bank strategy in the past has been to assist the Government in restructuring the education system to meet the country's economic requirements and alleviate these shortages in the modern sector. In addition, the Bank has also sought to improve the availability of education in rural areas and encouraged the general expansion of primary education. It has also helped with the establishment of vocational and technical training centres in the country.
4. As part of the basic needs approach, the Bank should continue its efforts to increase the spread of functional literacy either through the expansion of primary education or through non-formal adult education programs aimed in particular at the rural population. Selective vocational training, too, should be encouraged as a means of meeting shortages of particular kinds of skilled manpower.
5. What the Bank should no longer continue to do is to support an expansion of general secondary education. The Bank accepts the principle that education and training beyond the basic level should only be provided selectively to satisfy the country's specialized manpower needs. Furthermore, it also recognizes "the tendency of many education system to generate surpluses of educated manpower, and (intends to) point out the need for



explicit government policies on rationing and pricing secondary and post secondary education". 1/

6. Unfortunately, the proposed general expansion of secondary education in Swaziland will inevitably generate just such a surplus. The recent manpower study in Swaziland can only be taken to reflect general trends, but from it and from a number of other reports it is clear that over the next decade the formal education system will be producing twice as many post primary school leavers as the modern sector can hope to absorb. Of the 8,000 additional job seekers that will, on average, be joining the labor force during the remainder of the third plan period, only 4,000 can expect to find jobs in the modern sector and only a quarter of these jobs will require any degree of skill.

7. In other words, half of the output of the formal school system will have to be employed in the traditional sector, which in Swaziland's case is overwhelmingly rural. The formal education system imparts to its graduates neither the inclination nor the training that is necessary for a successful adaptation to a rural life. It is seen primarily as a vehicle for securing modern sector employment which is better paid and socially more prestigious. The very people, who with the right training could have made an important contribution to the development of Swaziland's agricultural sector (a sector which provides employment for two-third of the country's labor force but which only contributes a meagre 20% to GDP) will now waste precious time in unemployment engaged in a fruitless search for modern sector jobs before returning disaffected and unhappy to the agricultural sector they have learnt little about.

8. The solution to this problem is not entirely educational. As long as the average income on subsistence farms remains under a quarter of the median unskilled industrial worker wage; as long as the facilities for health, schooling and housing in rural areas lag far behind those available in the urban sector and as long as rural families are half as likely again to suffer from malnutrition as urban ones there will be a demand for modern sector jobs and the formal education that is seen as a means of obtaining them. A comprehensive development policy that recognizes the importance of the agricultural sector and takes steps to increase productivity, incomes and the quality of life in rural areas is the most effective means of redressing this imbalance.

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1/ Education Sector Working Paper; p. 55.

9. Within this comprehensive approach the role of educational policy in general and the Bank's sector lending strategy in particular is clear. The continued expansion of general secondary education in Swaziland will only serve to exacerbate the already serious imbalances in the country's demand and supply for educated manpower. Nor can a convincing argument be made for this expansion on equity grounds. Before increasing the equality of opportunity for secondary education, the Government should devote its resources to the eradication of functional illiteracy for children and adults so far ignored by the formal education system. Exceptions to this policy can be made if serious regional inequities can be proved, but these cases should be treated as exceptions and not precedents.

10. Bank Group policy should therefore be to discourage the Government from expanding general secondary education at this stage in Swaziland's development. As a corollary, the Bank should encourage, assist and participate in the continued expansion of formal and non-formal basic education and in selective vocational training designed to meet the modern sector's need for specialized manpower in particular fields. The contents of the third education project should reflect this set of priorities.

MAHMED/md

cc: Messrs. Scarce, Wolff, Sullivan

Statement of  
Expenses



# Record Removal Notice

<b>File Title</b> Masood Ahmed - Chronological File - July to December 1979		<b>Barcode No.</b>  1540552		
<b>Document Date</b> July-August 1979	<b>Document Type</b> Forms			
<b>Correspondents / Participants</b>				
<b>Subject / Title</b> Expense reimbursement vouchers				
<b>Exception(s)</b> Personal Information Corporate Administrative Matters				
<b>Additional Comments</b>		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.		
		<table border="1"><tr><td><b>Withdrawn by</b> Sherrine M. Thompson</td><td><b>Date</b> November 08, 2022</td></tr></table>	<b>Withdrawn by</b> Sherrine M. Thompson	<b>Date</b> November 08, 2022
<b>Withdrawn by</b> Sherrine M. Thompson	<b>Date</b> November 08, 2022			







# Record Removal Notice

<b>File Title</b> Masood Ahmed - Chronological File - July to December 1979		<b>Barcode No.</b>  1540552		
<b>Document Date</b> 01 January, 1979	<b>Document Type</b> Forms			
<b>Correspondents / Participants</b>				
<b>Subject / Title</b> Weekly Timesheets				
<b>Exception(s)</b> Personal Information Corporate Administrative Matters				
<b>Additional Comments</b>		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.		
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<b>Withdrawn by</b> Sherrine M. Thompson	<b>Date</b> November 08, 2022			

Travel



**THE WORLD BANK**  
**REQUEST FOR TRAVEL EXCEPTION**  
(PER ADMINISTRATIVE MANUAL STATEMENT NO. 4.01)

NOTE: This form is available in the Stockroom.

DEPARTMENT:	Urban Projects
DIVISION:	Division 2

I hereby request approval for: Mr. Masood Ahmed to:

1.  Travel more than 90 days in a 12 month period.
2.  Take a trip of more than 30 days official time.
3.  Travel after having spent less time in Washington since the staff member's last trip than the number of official days in the last trip.
4.  Travel before the family, if any, has been installed in a permanent residence for at least one month.\*
5.  Travel within 30 days of appointment to the Bank.\*

\* The Vice President's approval is not required. The Department Director's endorsement is sufficient.

96 Days of official travel in the 12 months prior to the staff member's proposed date of return. (Complete only if Item 1 above is checked.)

27 Official days away on this trip.

Purpose and principal destination(s) of travel:  
Appraisal Mission to Amman (Jordan Slum Upgrading) and Préparation Mission to Cairo (Transport Project).

Proposed Departure Date: September 7, 1979


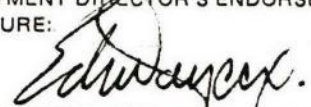
Justification of exception:

This is Mr. Ahmed's first substantial mission during his rotational assignment as a young professional in this division. It would be extremely desirable for him to participate in an appraisal mission if he is to benefit fully from his assignment in Urban Projects. He is the only economist on this mission and is therefore expected to make a substantial contribution to the appraisal of the first urban project in Jordan. His participation in the preparation mission to Cairo for the proposed urban transport project will expose him to the non-shelter aspects of urban operational work in which he has himself expressed an interest.

- Based on my discussion with the staff member, I believe that this travel will not constitute an undue hardship on the staff member or on the staff member's family.
- The staff member agrees that there will not be undue hardship.

Explain:

Mr. Ahmed has indicated that he would like to benefit fully from his rotational assignment in this division and that this mission will not cause him any personal or domestic problems.

SIGNATURE OF REQUESTING DIVISION CHIEF: 	DEPARTMENT DIRECTOR'S ENDORSEMENT SIGNATURE: 	VICE PRESIDENT'S SIGNATURE OF APPROVAL:
TYPE OR PRINT NAME OF SIGNEE: Sven Sandstrom, Chief, URBD2	TYPE OR PRINT NAME OF SIGNEE: E.V.K. Jaycox, Director	
DATE: August 30, 1979	DATE: August 31, 1979	DATE:

THE WORLD BANK  
REQUEST FOR TRAVEL EXCEPTION  
(PER ADMINISTRATIVE MANUAL STATEMENT NO. 4.01)

NOTE: This form is available in the Stockroom.

DEPARTMENT:  
Urban Project

DIVISION:  
Urban 2

I hereby request approval for: Mr. Basil Assimakopoulos to:

1.  Travel more than 90 days in a 12 month period.
2.  Take a trip of more than 30 days official time.
3.  Travel after having spent less time in Washington since the staff member's last trip than the number of official days in the last trip.
4.  Travel before the family, if any, has been installed in a permanent residence for at least one month.\*
5.  Travel within 30 days of appointment to the Bank.\*

\* The Vice President's approval is not required. The Department Director's endorsement is sufficient.

104 Days of official travel in the 12 months prior to the staff member's proposed date of return. (Complete only if Item 1 above is checked.)

40 Official days away on this trip.

Purpose and principal destination(s) of travel:  
Jordan: Appraisal mission of first Urban Development Project

Egypt: Supervision mission of Egypt Tourism Project (credit 909-EGT)

Proposed Departure Date: September 7, 1979

Justification of exception: When Mr. Assimakopoulos transferred to URBD2 from TMP on July 1, 1979, he had then accumulated more than 90 travel days in the twelve month period as a result of special travel requirements in the TMP during the period in order to transfer his project responsibilities in Latin America and West Africa. The unusually long duration of the proposed mission is related to his wish to combine missions to Jordan and Egypt in order to save in travel time and reduce trans-atlantic trips. In Jordan Mr. Assimakopoulos will join the appraisal mission of the first Urban Development Project, while in Egypt he will participate in the first full supervision mission of the Tourism Project. This supervision mission is particularly important because mission members will undertake to familiarize the authorities responsible with Project implementation with the Bank/IDA requirements for carrying out the supervision function. Since Mr. Assimakopoulos will be responsible for supervising technical aspects and procurement related matters of the Tourism Project, his participation in this mission is crucial.

Based on my discussion with the staff member, I believe that this travel will not constitute an undue hardship on the staff member or on the staff member's family.

The staff member agrees that there will not be undue hardship.

Explain: We have attempted to reduce Mr. Assimakopoulos' travel time, but staff constraints make alternate arrangements difficult over the near term. He feels that he has had ample time to recover from previous mission travel and has confirmed that family circumstances allow him to travel at this time.

SIGNATURE OF REQUESTING DIVISION CHIEF:

DEPARTMENT DIRECTOR'S ENDORSEMENT SIGNATURE:

VICE PRESIDENT'S SIGNATURE OF APPROVAL:

TYPE OR PRINT NAME OF SIGNEE:

TYPE OR PRINT NAME OF SIGNEE:

Sven Sandstrom

E.V.K. Jaycox

DATE:

DATE:

DATE:

8/30/79

8/30/79



# Record Removal Notice

<b>File Title</b> Masood Ahmed - Chronological File - July to December 1979		<b>Barcode No.</b>  1540552		
<b>Document Date</b> September - October 1979	<b>Document Type</b> Form			
<b>Correspondents / Participants</b>				
<b>Subject / Title</b> Travel Order and Itinerary				
<b>Exception(s)</b> Personal Information Corporate Administrative Matters				
<b>Additional Comments</b>		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.		
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**THE WORLD BANK**  
**REQUEST FOR TRAVEL EXCEPTION**  
(PER ADMINISTRATIVE MANUAL STATEMENT NO. 4.01)

NOTE: This form is available in the Stockroom.

DEPARTMENT: Urban Projects
DIVISION: Division 2

I hereby request approval for: Mr. Masood Ahmed to:

1.  Travel more than 90 days in a 12 month period.
2.  Take a trip of more than 30 days official time.
3.  Travel after having spent less time in Washington since the staff member's last trip than the number of official days in the last trip.
4.  Travel before the family, if any, has been installed in a permanent residence for at least one month.\*
5.  Travel within 30 days of appointment to the Bank.\*

\* The Vice President's approval is not required. The Department Director's endorsement is sufficient.

<p><u>96</u> Days of official travel in the 12 months prior to the staff member's proposed date of return. (Complete only if Item 1 above is checked.)</p> <p><u>27</u> Official days away on this trip.</p>	<p>Purpose and principal destination(s) of travel: Appraisal Mission to Amman (Jordan Slum Upgrading) and Preparation Mission to Cairo (Transport Project).</p> <p>Proposed Departure Date: September 7, 1979</p>
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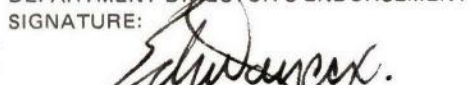
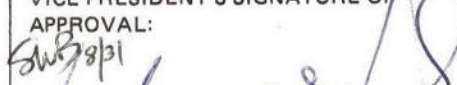
Justification of exception:

This is Mr. Ahmed's first substantial mission during his rotational assignment as a young professional in this division. It would be extremely desirable for him to participate in an appraisal mission if he is to benefit fully from his assignment in Urban Projects. He is the only economist on this mission and is therefore expected to make a substantial contribution to the appraisal of the first urban project in Jordan. His participation in the preparation mission to Cairo for the proposed urban transport project will expose him to the non-shelter aspects of urban operational work in which he has himself expressed an interest.

- Based on my discussion with the staff member, I believe that this travel will not constitute an undue hardship on the staff member or on the staff member's family.
- The staff member agrees that there will not be undue hardship.

Explain:

Mr. Ahmed has indicated that he would like to benefit fully from his rotational assignment in this division and that this mission will not cause him any personal or domestic problems.

SIGNATURE OF REQUESTING DIVISION CHIEF: 	DEPARTMENT DIRECTOR'S ENDORSEMENT SIGNATURE: 	VICE PRESIDENT'S SIGNATURE OF APPROVAL: 
TYPE OR PRINT NAME OF SIGNEE: Sven Sandstrom, Chief, URBD2	TYPE OR PRINT NAME OF SIGNEE: E.V.K. Jaycox, Director	
DATE: August 30, 1979	DATE: August 31, 1979	DATE: Aug 31, 1979

Instructions for Use of Travel Exception Form

1. The purpose of this form is to record Vice Presidential approval of planned travel which would exceed the guidelines in the recently revised Administrative Manual Statement 4.01, Annex 1. Annex 1 also describes the responsibilities of managers and staff in planning operational travel and outlines the basis for the judgement as to whether the planned travel should be approved. Although previous studies have indicated that travel exceeding the guidelines is concentrated in the Regional Projects Departments, CPS and IFC, a few individuals in other departments travel enough to exceed the guidelines from time to time. Approval of the appropriate Vice President should be sought in all instances of planned travel which would exceed the guidelines.
2. The form should be completed for all staff below the level of Vice President, including managers, and consultants occupying a staff position.
3. The form should be initiated by the direct supervisor -- usually the Division Chief.
4. The requests should be submitted in time for alternatives to be arranged if the travel is not approved, except in the case of emergencies.
5. The days to be counted are all days in operational travel status (except the day of return) as described in Administrative Manual Statement 4.01, excluding of course annual or home leave taken in connection with operational travel.
6. Each department should establish its own internal procedures for initiating the form, obtaining the required approvals and distribution after approval. In any case a copy of approved requests should be sent to the Chief, Staff Relations II, Personnel Department. A record should be kept of requests not approved by the Vice President.

\* \* \* \* \*

FORM NO. 1519  
(12-78)

THE WORLD BANK  
REQUEST FOR TRAVEL EXCEPTION  
(PER ADMINISTRATIVE MANUAL STATEMENT NO. 4.01)

NOTE: This form is available in the Stockroom.

DEPARTMENT: Urban Projects  
DIVISION: Division 2

I hereby request approval for: Mr. Masood Ahmed to:

1.  Travel more than 90 days in a 12 month period.
2.  Take a trip of more than 30 days official time.
3.  Travel after having spent less time in Washington since the staff member's last trip than the number of official days in the last trip.
4.  Travel before the family, if any, has been installed in a permanent residence for at least one month.\*
5.  Travel within 30 days of appointment to the Bank.\*

\* The Vice President's approval is not required. The Department Director's endorsement is sufficient.

96 Days of official travel in the 12 months prior to the staff member's proposed date of return. (Complete only if Item 1 above is checked.)

27 Official days away on this trip.

Purpose and principal destination(s) of travel:  
Appraisal Mission to Amman (Jordan Slum Upgrading) and Preparation Mission to Cairo (Transport Project).

Proposed Departure Date: September 7, 1979

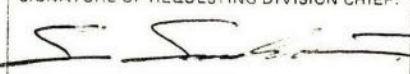
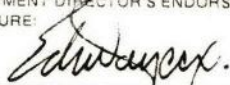
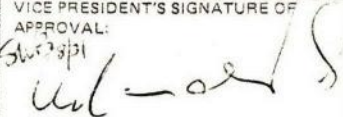
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TYPE OR PRINT NAME OF SIGNEE: Sven Sandstrom, Chief, URBD2	TYPE OR PRINT NAME OF SIGNEE: E.V.K. Jaycox, Director	
DATE: August 30, 1979	DATE: August 31, 1979	DATE: Aug 31, 1979

COPIES TO: Division Chief; Vice President's Office; Program Coordinators (where appropriate); Chief, Staff Relations II; Staff Member concerned.



# Record Removal Notice

<b>File Title</b> Masood Ahmed - Chronological File - July to December 1979		<b>Barcode No.</b>  1540552		
<b>Document Date</b> 04 October 1979	<b>Document Type</b> Form			
<b>Correspondents / Participants</b>				
<b>Subject / Title</b> Operational travel request				
<b>Exception(s)</b> Personal Information Corporate Administrative Matters				
<b>Additional Comments</b>		The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group.		
		<table border="1"><tr><td><b>Withdrawn by</b> Sherrine M. Thompson</td><td><b>Date</b> November 08, 2022</td></tr></table>	<b>Withdrawn by</b> Sherrine M. Thompson	<b>Date</b> November 08, 2022
<b>Withdrawn by</b> Sherrine M. Thompson	<b>Date</b> November 08, 2022			

REQUISITION FOR EQUIPMENT, SERVICES, BOOKS AND SPECIAL SUPPLIES

DO NOT USE THIS FORM FOR REQUESTING PRINTING, CARTOGRAPHIC OR GRAPHIC SERVICES, OR STOCKROOM SUPPLIES. READ INSTRUCTIONS ON BACK CAREFULLY BEFORE COMPLETING THIS FORM.

NOTE: Please type or print.

TO:  <input type="checkbox"/> Building Operations & Services <input type="checkbox"/> Documents Acquisition & Control <input type="checkbox"/> Procurement <input checked="" type="checkbox"/> Property Control <input type="checkbox"/> Telephone Installation & Planning	FOR ADM USE ONLY
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PLEASE FURNISH THE FOLLOWING EQUIPMENT, SERVICES, BOOKS OR SPECIAL SUPPLIES FOR:

DEPARTMENT: <b>Urban Projects</b>	DEPT. NO.: <b>310</b>	DIVISION: <b>2</b>	DIV. NO.: <b>20</b>
DELIVER TO: <b>Mr. Masood Ahmed</b>	ROOM NO.: <b>D646</b>	EXTENSION: <b>72107</b>	DATE WANTED: <b>July 12, 1979</b>

ITEM NO.	QUAN-TITY	UNIT	COMPLETE DESCRIPTION <i>Show specific justification for need, i.e., replacement for worn-out or outmoded items, or additional new system, or for new staff, etc., under each item.</i>	BUDGET <sup>1</sup> COMMITMENT NO.*
1	1	Mach.	Electric calculator (the smallest size) needed for Masood Ahmed for his mission to Jordan for the period July 13-22, 1979.	

**COMPLETE THIS BLOCK IF REQUESTING BOOKS**

IS COPY AVAILABLE IN INFORMATION CENTER?     YES     NO

IS COPY AVAILABLE IN JOINT LIBRARY?          YES     NO

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**AUTHORIZATION**

**I CERTIFY THAT THE ABOVE ARTICLES OR SERVICES ARE ESSENTIAL TO THE BANK.**

AUTHORIZED REQUISITIONING OFFICER'S SIGNATURE:  <b>M. Rathnam, Program Plan. Officer</b>	DATE:  
--	---------------

ED OR PRINTED NAME AND TITLE OF ABOVE OFFICER:

**FOR ADMIN. SERVICES DEPT. USE ONLY**

ORDERED:

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COMPLETED:

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**ISSUE/PURCHASE APPROVED BY:**

1. SIGNATURE:	DATE:
2. SIGNATURE:	DATE:
3. SIGNATURE:	DATE:

\*Requisitioner must fill in Budget Commitment Number for equipment, services or special supplies chargeable against Department Budgets. Responsible Service Unit will fill in Budget Commitment Number for charges against overhead budgets.

WHITE AND YELLOW - Submit to Responsible Service Unit; PINK - Requisitioning Office's Copy



Data Requirements for Appraisal  
of Jordan Urban Development  
Project

Sector

1. Background country and sector data:

per capita incomes -

population total

population urban

population Amman/Zerqa region

growth rates - total, urban, regional

age structure

household size

% below UPP (i.e. below household monthly income of JD 61)

2. Housing -

No. in inadequate housing

" in slums

densities - average urban and in slums

present shortfall of housing

projected demand for new housing

projected supply from government/private sector

Housing Corporation - plans, No.s and costs

construction rate per 1000 population - past and present -

Housing Bank activities

3. Infrastructure

availability of water -

average consumption and no's connected

" " " in slum areas

frequency of supplies

roads - miles constructed and quality

" " in slum areas

power - no's connected

" " in slums

waste disposal - connections in slums and total

requirements for addl. sanitation

Pricing policy -

tarriff structures for water, power etc.

and average expenditures by slum households on

same - including illegal purchase e.g. % of income spent on water

4. Social services

education - enrollment ratios and children in school

distribution of schools in slums

health clinics - distribution, persons per doctor

5. Employment

labor force

% abroad

% foreign

participation rates - male/female

distribution by occupation in slum areas

6. Earnings

earnings distribution for slum areas

" " for urban areas

" " for households

expenditure breakdown for slum areas

" % on housing

cost of basic calories sufficient diet (2250 cal.)

distribution of expenditure on food-

Project areas

7. Upgrading sites -

description - size- location

no. of households

" " dwellings

" " inhabitants

" " plots

average plot size

distribution of plot sizes N.B. ensure this is available

% land being used for plots

% dwellings receiving on site:

water

power

sewerage

schools, health clinics on site

employment - markets, commercial areas on site

8. Proposed improvements - details
  - no. of houses to be connected to water etc.
  - on plot improvements - numbers and type
  - bldg. loans - no., average size, range, households affected
  
9. Detailed cost estimates of above
  - land acquisition
  - site preparation
  - on site infrastructure - roads, sewerage, water supply
  - on plot developments / <sup>water,</sup> sewer, cesspits, construction
  - off site infrastructure - roads, WS, etc.
  - community facilities - schools, play areas
  - design, supervision, management
  - contingencies - physical and price
  
10. Sites and services
  - ss for upgrading but also including by site
  - summary of land use
  - total area
  - marketable and non-marketable land
  - distribution of plots of various size
  - use of non-marketable land
  - layout
  
11. Options offered by project - charges levied -
  - prices for plots of different sizes
  - " " different superstructure
  - " " commercial plots

distribution of plots offered by size and option

cost per plot

cost per household

repayment schedules

12. Affordability -

percentile reached by cheapest plots

% income spent by household to reach this percentile

13. Employment Generation -

description of what is provided

amount allocated for loans-

average loan size

maximum " "

% loan for construction

" equipment

" working capital

implementation

terms

repayment schedule

no's affected

14. Extension services

recurring costs

administrative costs

no's affected

15. Manpower training
  - % construction
  - % equipment and tools
  - % recurrent costs
  - % design, supervision and administration
16. Contingencies
  - physical and prices
17. Project Funding
  - project costs by site -
    - local and foreign exchange components
    - % of foreign exchange by project component
  - Finance -
    - IDA
    - GOJ
    - Industrial Development Bank?
    - Housing Bank?
18. Flow of funds (on lending by government to executing agencies with proposed terms)
  - expenditure by agencies
  - expenditure by site
  - expenditure by purpose
19. Sources and application of project funds
  - by years for life of project

20. Implementation Schedule-

Bar diagram

21. Disbursement schedule

"                    %

22. Institutional arrangements

Background information on

Amman Municipality

Housing Corporation

Housing Bank

Industrial Development Bank

Organization charts for these bodies

their recent and current activities

their responsibilities and plans

Financial information -

balance sheets

budget (municipalities)

source and flow of funds

projected source and flow of funds for

Housing Corporation

Housing Bank

IDB

23. Procurement  
Amount -ICB -  
by component  
Amount local comp. bidding  
    others  
technical assistance
24. Proposals for cost recovery  
interest rates and payment terms -  
variations by plot size?  
% project cost recovered from beneficiaries  
% " " not recovered  
which components recovered
25. Valuation of benefits  
land values in project areas  
pre-project  
post project  
affect of other measures on project land (e.g. proposed road  
passing by Quweisma)  
rents - pre, post project  
value of taxes included in each component (state basis of calculation)  
cost per family and no's affected
26. No. of new jobs created  
cost per job-  
average and range



27. % project beneficiaries below UPP threshold

new value of UPP threshold

28. Technical assistance

Detailed description of work to be done

job description and required qualifications for candidates

cost estimates for each study

MISC

Table 3: SITES AND SERVICES: AFFORDABILITY ANALYSIS

Plot Type	Number	Cost of Land (JD 7 per m <sup>2</sup> ) and infrastructure (JD 4 per m <sup>2</sup> )	Cost of land and infrastructure + on plot development (JD)	Total sale Price of plot and superstructure (JD)	Building Loan (JD)	Affordable to households with monthly income of JD	Corresponding position on urban income distribution	% of project beneficiaries	Revenue from sales of plots JD ('000)	Cost of plots JD ('000)	Surplus (+) or Deficit (-) JD('000)	Implied cost of land and infrastructure assuming full recovery of superstructure costs JD/m <sup>2</sup>
101m <sup>2</sup> f.p. access SC only	750	1095	1495	1005	Up to 300	35/46	7/9	15	753.75	1121.25	-367.50	6.0
101m <sup>2</sup> f.p.a. SC+IR	1650	1095	1945	1556	Up to 250	54/63	12/20	33	2567.40	3209.25	-641.85	7.0
101m <sup>2</sup> r.a. SC+IR	100	1095	1945	2060	Up to 250	71/80	23/30	2	206.00	194.50	+ 11.50	12.0
101m <sup>2</sup> r.a. SC+2R	1450	1095	2345	2560	nil	88	38	29	3712.00	3400.25	+311.75	13.0
144m <sup>2</sup> r.a. SC+2R	250	1560	2810	3410	nil	115	61	5	852.50	702.50	+150.00	15.0
144m <sup>2</sup> r.a. Site only	550	1560	1561	2592	nil	Market		11	1425.60	858.55	+567.05	18.0
300m <sup>2</sup> r.a. Site only	250	3252	3252	6000	nil	Disposal		5	1500.00	813.00	+687.00	20.00

Codes : f.p.a. = footpath access  
 r.a. = road access  
 SC = sanitary core unit only  
 SC+IR = sanitary core and one room  
 SC+2R = sanitary core and two rooms

Total Recoverable Cost = JD10,299,300  
 Total Repayments = JD11,017,250  
 Net Program Surplus = JD 717,950

- Affordability calculations based on a maximum of 25% of household income being spent on a housing loan at 8.5% over 20 years covering all costs exclusive of 10% retention payment to provide for default.
- For the first two plot types, the two income levels presented are based on households who do not/do use the building loan offered.
- The building loan offered is based on self help construction costs being about 2/3 of contractor costs.