



USAID
FROM THE AMERICAN PEOPLE

First Annual Report

September 2010 - September 2011

Egypt's Competitiveness Program

October 30, 2011

This publication was produced for review by the United States Agency for International Development. It was prepared by Chemonics International Inc.



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ACRONYMS

ABA	Alexandria Businessmen Association
ABS	Asset-backed securities
APSS	Annual Program Statements
BAC	Business Advisory Council
CIDA	Canadian International Development Agency
CG	Corporate Governance
CMA	Capital Market Authority
CMD	Capital Markets Development Program
COC	Center of Competitiveness
CPA	Consumer Protection Agency
CR	Commercial Registry
CRA	Commercial Registry Authority
CRM	Customer Relationship Management
CSRs	Customer Satisfaction Reviews
DBP	Defined Benefit Plan
DCA	Development Credit Authority
DCP	Defined Contribution Plan
DTC	Development for Training and Consultancy
EBI	Egyptian Banking Institute
ECA	Egyptian Competition Authority
ECP	Egypt's Competitiveness Program
EFS	Egypt Financial Services Project
EGX	Egypt Exchange
EFSA	Egyptian Financial Supervisory Authority
EIFS	Egyptian Institute for Financial Services
EII	Egyptian Institute of Insurance
EIoD	Egyptian Institute of Directors
EISA	Egyptian Insurance Supervisory Authority
EMF	Egypt Micro Finance Program
ENCC	Egyptian National Competitiveness Council
ERRADA	Egyptian Regulatory Reform and Development Activity
ETA	Egyptian Tax Authority
ETPs	Enterprise TVET Partnership
FP	Fixed Price
FTC	Federal Trade Commission
GAFI	General Authority for Investment and Free zones
GCI	Governorate Competitiveness Index
GEP	Global Entrepreneurship Program
GMUs	Governmental Management Units
GoE	Government of Egypt
GOEIC	General Organization for Export and Import Control
GRU	General Review Unit
HR	Human Resource
IDA	Industrial Development Agency
IMF	International Monetary Fund
IPR	Intellectual Property Rights

IQS	INDEFINITE QUANTITY SUBCONTRACT
IR	Intermediate Result
IRIS	Institutional Reform and the Informal Sector
IT	Information Technology
ITDA	Internal Trade Development Agency
ITMAS	Integrated Tax Management Accounting System
LOE	Level of Effort
LOP	Life of Program
M&E	Monitoring and Evaluation
MFA	Mortgage Finance Authority
MKI	Mubarak-Kohl-Initiative
MOE	Ministry of Education
MOF	Ministry of Finance
MFI	Ministry of Foreign Trade
MOI	Ministry of Investment
MOHE	Ministry of Higher Education
MOMM	Ministry of Manpower and Manpower
MOSS	Ministry of Social Solidarity
MOTI	Ministry of Trade and Industry
MOU	Memorandum of Understanding
MTI	Ministry of Trade and Industry
NASIP	National Authority for Social Insurance and Pensions
NCS	National Competitiveness Strategy
NGOS	Non-Governmental Organizations
NIDS	National Industrial Development Strategy
NILEX	Nile Stock Exchange
PA	Public Awareness
PMP	Performance Monitoring Plan
PPP	Public Private Partnership
PSCC	Port Said Chamber of Commerce
RBS	Risk-Based Supervision
RFAs	Request for Applications
RFTOP	Requests for Task Order Approval
RIA	Regulatory Impact Assessment
RMG	Ready Made Garments
SDA	Service Delivery Agreement
SBTUs	School-based training units
SEC	Suez Economic Corridor
SEE	Supporting Entrepreneurship in Egypt
SMEs	Small and Medium Enterprises
SO	Strategic Objective
SOW	Scope of Work
SPV	Special Purpose Vehicle
SSBC	Smart Services Business Center
STTA	Short Term Technical Assistance
STOs	Subcontract Task Orders
TA	Technical Assistance
TAPR II	Technical Assistance for Policy Reform II
TASS	Technical Agriculture Secondary Schools
TNA	Training Needs Assessment

TOR	Term of Reference
TOT	Training of Trainer
TSSs	Technical Secondary Schools
TVET	Technical and Vocational Education and Training
UBR	Unified Business Registry
UK	United Kingdom
USAID	United States Agency for International Development
VAT	Value Added Tax
VTCs	Vocational Training Centers
WP	Work plan

Executive Summary

Egypt's Competitiveness Program (ECP) is pleased to submit the first annual report covering program activities from September 2010 to September 2011. USAID funded ECP from September 1, 2010 through December 31, 2013. The three-year program is managed by prime contractor Chemonics International Inc., in partnership with a consortium of U.S. subcontractors: Innove, Institutional Reform and the Informal Sector (IRIS), The Kaizen Company, SEGURA/IP3 Partners LLC, J.E. Austin Associates and one Egyptian Subcontractor: Development for Training and Consultancy (DTC).

ECP was created under USAID's Strategic Objective 16, "Conditions for Trade and Investment Improved", to provide technical assistance to enhance Egypt's competitiveness through regulatory reform, streamlined business processes, improved labor skills and productivity, and modernization of the financial sector. USAID/Egypt's overall goal is to promote a globally competitive, educated, and innovative human resources-based economy benefiting Egyptians equitably.

ECP startup began mid-September 2010 in Cairo with the arrival of the program director and component leaders. Office space was located and renovated by late October. The ECP Egyptian professional team was fully deployed in November. The ECP Year I work plan was developed in collaboration with USAID and Government of Egypt counterparts and submitted to USAID on December 8, 2010. The ECP program was officially launched on December 19, 2010.

The ECP Program: "Strategy into Action":

The main theme of the ECP program approach is "Strategy into Action". Under USAID's predecessor project, TAPR II, a number of important policy reforms and project activities laid a foundation for even more tangible results under ECP. For example, the Smart Service Business Center (SSBC) in Alexandria was a successful pilot. It made the process of getting municipal business permits faster and easier. The SSBC is an excellent "proof of concept" but it remains to be scaled up. In 2010 SSBC issued 2,200 licenses and permits in the second largest business center in the country, Alexandria, which has 170,000 members in the Chamber of Commerce. ECP will take the SSBC "proof of concept" and scale it up to be of use and relevance to the broader business community working and serving in Alexandria. Another example of an opportunity to translate an innovative strategic concept developed under TAPR II from "strategy into action" is the proposed Suez Economic Corridor Project. The idea was developed in the final year of the TAPR II Project. Given TAPR II's closure and the ensuing 25 January revolution, the Suez Economic Corridor Project has never been formally reviewed by the GOE nor plans drawn up for the subsequent phase to bring this important initiative to life. During Year I ECP developed the scope of work for the preparation of a Suez Economic Corridor Project prefeasibility study which will form an important part of ECP's Year II Work Plan, working hand in glove with the Egyptian National Competitiveness Council (ENCC), the Ministry of International Cooperation and other relevant ministries, to bring this important initiative to life. Throughout the ECP Year II the program will focus whenever possible on those initiatives that can turn "strategy into action", and produce results, especially jobs, that improve living conditions for all Egyptians.

ECP, by name and design, marked an important shift in USAID's previous approach under TAPR II from broad-based "technical assistance for policy reform" to an initiative tightly focused on improving Egypt's "competitiveness". Dr. Michael Porter explains the importance of competitiveness in the

following manner: "...the principal goal of a nation is to produce a high and rising standard of living for its citizens. The ability to do so depends on the productivity with which a nation's labor and capital are employed... the only meaningful concept of competitiveness at the national level is productivity"¹ Accordingly, under ECP USAID has focused on four broad productivity drivers of competitiveness:

- (A) Conducive Regulatory Reforms
- (B) Streamlining Business Processes
- (C) Improving Labor Skills and Productivity
- (D) Strengthening the Financial Sector

Each of these "productivity drivers" is a critical enabler of competitiveness. Under ECP Year I Activities and moving forward under the Year II Work Plan, ECP will focus on these four "aggregate" productivity drivers. Under each of these aggregate productivity drivers ECP will focus on specific productivity enhancing initiatives where the attention, technical assistance and training resources available under the USAID ECP contract can target specific interventions that will yield demonstrable and measurable results. Under the Year II ECP Work Plan efforts will be focused on four specific productivity drivers: (i) the ease of doing business; (ii) vocational technical training; (iii) entrepreneurship development; and, (iv) SME access to finance. The ECP approach of "Strategy into Action" translates into supporting specific policy initiatives at the national level while concentrating on implementing specific productivity drivers at the local, governorate level which produce results and, in turn, enhance Egypt's competitiveness.

The ECP program goal is to have a significant impact at the local as well as national level on the productivity drivers which create or grow businesses, discover and develop new Egyptian entrepreneurs, create jobs and facilitate SME access to finance. Important as they are, ECP is not about training or capacity building per se. ECP strives to produce tangible results; ECP is about impact.

ECP Year I Work Plan, Results and the Egyptian Revolution:

The main goals of the ECP Year I work plan included: (i) expansion of the ERRADA into new ministries and governorates; (ii) an updated bankruptcy law; (iii) expansion of Tamayouz permit and license service centers to pilot governorates; (iv) implementation of key recommendations of the ENCC National Competitiveness Strategy begun; (v) provision of skilled workers and the creation of new businesses through vocational training and entrepreneurship development; (vi) regulations drafted for Egypt's new pension system; and, (vii) access to finance for SMEs improved.

The Egyptian January 25, 2010 revolution presented ECP with a number of challenges as well as opportunities. With the dissolution of the Mubarak government and parliament there was little scope or opportunity to advance or develop new policy initiatives. As a result planned policy initiatives from drafting a new bankruptcy law to expanding and deepening the GOE's ERRADA program and several other policy-oriented initiatives were put on hold.

The revolution, however, created or broadened opportunities for substantive ECP interventions, especially those initiatives to translate "strategy into action". The revolution and its aftermath created a greater urgency and need for programs which produce on-the-ground impact and it continues to do so

¹ Harvard Business Review March-April 1990, p76

nine months later. At the heart of the revolution was the urgent need for the creation of jobs for youth. The revolution more than anything else, was about the cry from youth; they demanded a better life, social equality, and, above all jobs.

In the months following the revolution the ECP team supported USAID and other donors, in responding to the immediate requests of the Government of Egypt, particularly the Ministry of Finance. During this period ECP's worked with the Ministry of Finance, other government ministries and donors to analyze the wage and compensation system of the central bureaucracy, prepare a job creating SME development program and an initiative to redraft the highly unpopular 2008 Real Property Tax Law, making it more responsive to generating revenue to support the operation and maintenance of services at the local level rather than revenues being returned to the central treasury.

These initiatives and others have required USAID and ECP to "re-think" the purpose and focus of the ECP program going forward. At least for ECP Year II it is not likely that a significant number of planned policy initiatives will go forward given the interim nature of the post revolution government and the absence of a parliament. Policy initiatives will advance on a case-by-case basis if requested by the interim government. However, on the "Strategy to Action" side of ECP ledger there is substantial scope for not only implementing planned productivity driver initiatives in the ECP's three pilot governorates but to expand these initiatives beyond the pilot governorates to a broader cross section of governorates throughout the country. An expansion of scope of this nature requires that USAID and ECP re-think the Program counterparts. For example, ECP is of the opinion that the Ministry of Local Development, like the Ministry of Finance, will become one of the key ECP counterpart and oversight ministries.

In response to the unsettled post revolution environment ECP submitted a revised work plan on May 26 for the period June to September 2011 but even those short-term plans have been significantly and adversely affected by the fluid political situation. The ECP Year II work plan is presently under preparation and will be submitted during the first week of November, 2011.

ECP MOUs and Indefinite Quantity Subcontract (IQS):

ECP during Year I defined two major initiatives to improve the effectiveness of program implementation and the potential scale of ECP impact. The first initiative was to develop Memoranda of Understanding (MOUs) with three Governorates (Alexandria, Port Said and Sharkia) to implement "productivity driver" activities centered on ease of doing business, vocational skills training, entrepreneurship development and improving SME access to finance. The draft MOUs were initially well received at the governorate level with official signings expected in July 2011. However, as of October, 2011 these MOUs have not been signed as a result of broader policy issues between the USG and the Government of Egypt. ECP expects these issues to be resolved in the near future. This impasse highlights however, the importance of bringing the Ministry of Local Development on board as one of the key ECP policy and oversight partners along with the Ministry of Finance as this would ensure that the ministry with oversight responsibilities for local government was formally involved and responsible for ECP oversight and initiatives involving the Governorates.

The second ECP initiative was the development of an Indefinite Quantity Subcontract (IQS) to enable the program to extend and leverage its technical assistance resources. The IQS is an umbrella contract mechanism that was used to prequalify 16 Egyptian consulting firms and NGOs to provide, under subsequent Requests for Task Order Approval (RFTOP) contracts, training and technical assistance centered on the productivity drivers featured in the Governorate MOUs (vocational skills and

entrepreneurial development and SME access to finance). The IQS is in the final stage of the USAID approval process. The ECP IQS is expected to enable the program to vastly expand the extent and coverage of ECP technical assistance and training services by empowering and enabling 16 Egyptian firms and NGOs to directly extend training services and technical assistance to the four ECP participating governorates, significantly expanding the technical assistance and training services that could be provided if limited only to the ECP core technical assistance team working out of Cairo.

ECP YEAR I Component Activities:

Conducive Regulatory Environment (ECP Component A):

Immediately following the revolution USAID initiated a number of urgent activities at the request of H.E. Minister of Finance including consultancies on labor, civil service and wage policy reform as well as tax reform (property tax, income tax and VAT tax). These consultancies informed and deepened the policy dialogue of the interim government. Another highlight of the regulatory reform component was the establishment of guidelines for implementation of a regulatory impact assessment process (RIA) in Egypt.

Streamlined Business Processes (ECP Component B):

The Streamlined Business Processes component is working to improve the delivery of government approvals for starting and operating a business (at the firm level) and to improve Egypt's competitiveness (at the governorate and national levels). The component highlights for the year include: (i) reaching agreement with sub-contractor Sakhr to complete the Unified Business Registry (UBR) software; (ii) agreement with the Port Said and Sharkia Chambers of Commerce to begin implementation of Tamayouz centers; (iii) starting a Governorate Competitiveness Index (GCI) as a tool to enable governors to improve their support and assistance to their respective business communities and to provide reliable comparison among governorates of the local business environment; and, (iv) developing the scope of work and plan for the implementation of the initial phase of Suez Economic Corridor. Each of these activities is a foundation for ambitious plans going forward which will have national impact on the ease of doing business and job creation.

Improved Labor Skills and Productivity (ECP Component C):

The Improved Labor Skills and Productivity component covers both vocational training and entrepreneurship development activities. During ECP Year I ECP initiated vocational training activities in four governorates: Alexandria, Port Said, Beni-Suef and Sharkia. Technical assistance to the target training facilities in four governorates emphasized the formation of school-based training teams to provide teacher training in support skills as well as to employment service providers to keep training programs attuned to market demands to ensure the flow of vocational graduates into direct employment with partner firms and industries. This component exceeded its target of opening ten school-based training units (SBTUs) during ECP Year I with the opening of an eleventh training unit. In addition to training in the soft skills, the teacher trainees received guidance on how to assist graduating students to open their own businesses and start entrepreneurial activities. An entrepreneurial unit, to be provided during ECP Year II, will be embedded in each course curriculum. Graduates provided with the skills demanded by the labor market build the private sector's confidence in the training facilities' capacity to

provide a steady supply of qualified labor and increase the employment prospects and opportunities of training graduates. Training must result in employment; therefore, the employment services of a training facility play as important a role as the training itself. ECP exceeded its target of opening six school-based employment units with the opening of eight units to provide employment guidance to all graduates.

Additional support to promoting Egyptian labor productivity is provided through support to entrepreneurs in the four governorates through the Global Entrepreneurship Program (GEP) and the ECP Support to Egyptian Entrepreneurs (SEE) component of ECP. Activities were designed to identify, support, and nurture potential entrepreneurs. Four events successfully spurred entrepreneurs resulting in three product launches, six business startups and four investments in entrepreneurs' ventures. Of equal or greater importance the ECP media campaign backstopping these early GEP/ECP entrepreneurial initiatives generated a wide spread and positive "buzz" about the prospects for Egyptian entrepreneurs to take charge of their own future as well as that of Egypt's through the creation of new business initiatives. The impact of this media campaign has been electrifying both in Egypt and internationally and will serve as a model to be replicated in the other ECP components as they get up and running. As the entrepreneur ecosystem grows in Egypt, ECP expects the innovations will continue to energize the market and create jobs.

Strengthened Financial Sector (ECP Component D):

The strengthened financial sector component of ECP is focused on improving non-banking supervision; supporting pension reform; and prompting SME "access to finance". Accomplishments in ECP Year I include: (i) an assessment conducted with DCA/EGAT, which resulted in a DCA Portfolio Guarantee for HSBC for SME lending; (ii) proposed EFSA regulations for Sukuk reviewed and revised opening the road for introduction of a new financial instrument to finance new projects (asset-based financing); (iii) recommended and agreed with EFSA on the best models to follow for establishing a dispute resolution mechanism; (iv) advising GAFI on the best model to structure its SMEs investment fund; (v) completing research for GAFI on SME accounting standards to facilitate and promote financial reporting by small businesses to improve formalization and access to finance; (vi) selecting five consulting firms to implement ECP activities to facilitate and enable SME access to finance at the governorate level starting in Alexandria, Port Said and Sharkia via the ECP IQS mechanism; (vii) the review and recommendations to EIoD (spell out first time use) to improve its borrower training program; (viii) working closely with the ECP Vocational Skills and Entrepreneurial Components regarding assess to finance issues; and, (ix) sponsoring professional certification and training of MOF actuarial staff in the UK.

Cross Cutting Activities (ECP Component E):

ECP Component E crosscutting support includes M&E training, grants, public awareness and procurement, program management, and operations and financial management. While a grant to ENCC was issued during the year, the ENCC has not been able to receive Ministry of Social Solidarity's (MOSS) approval. It is not anticipated that they will receive a MOSS approval in the next quarter. The ECP media campaign for the GEP/SEE initiatives under ECP Component C, designed and implemented by the Component E media staff, were a marked success and provide an excellent model and example to guide similar media campaigns for planned ECP activities under all program components during ECP Year II.

ECP Finances:

The total expenditure under ECP during the first year of operations (Sept. 1, 2010 to September 31, 2011) was \$5,617,226 (60% of Year I budget). Of the obligated amount, ECP spent 53% of the total obligated amount of \$14,676,367. The second year budget is projected to be not less than \$9,281,145.

Conducive Regulatory Reform

ECP is building on the previous accomplishments of the USAID TAPR II project to create a framework for regulatory reform in Egypt that is conducive to economic growth. Creating that framework involves improving the regulatory environment to lower risks and costs for business, establishing a sustainable system for devising and implementing regulatory reform strategies, strengthening anti-competition protection, improving commercial laws and improving Egyptian tax and fiscal policies and procedures.

The component life of project expected results (from the contract) include:

- (i) Broad regulatory reforms
- (ii) Commercial law reforms, fiscal reforms and budget transparency, fiscal decentralization, and investment policies

After the 25th of January revolution meaningful regulatory reform should materialize in Egypt. There will be important and specific roles for political parties, rights groups, trade unions, professional syndicates and other formal political groupings. ECP should consider collaborating with these groups and institutions since they have the ability to articulate specific and targeted demands for legal and institutional reforms. The reform process, however, is unlikely to materialize until a new parliament is elected, constitutional modifications are adopted and a new President elected. Realistically this will not happen until ECP Year III. In the interim ECP will remain ready and responsive to specific reform opportunities that may emerge from the interim government.

A1. Support for Regulatory Reform

During year one ECP focused its regulatory reform efforts on assistance to the Egyptian Regulatory Reform and Development Activity (ERRADA). The main goals of ECP assistance were to institutionalize ERRADA as a principal driver of policy formulation and regulatory streamlining in the GOE, including expansion of the scope of ERRADA to include Regulatory Impact Assessments, streamlining of administrative procedures and establishment of an online database of all Egyptian laws and regulations. Each participating ERRADA ministry should be exposed to the RIA process and supporting technical expertise to allow each participating ministry to effectively integrate the RIA process into their own regulatory activities. As opportunities arise ECP will be responsive to requests for RIA technical assistance. The main challenges faced by ERRADA will be potential changes to its mandates, financing or functions as a result of a restricted Board of Trustees or a post-election government.

A1.1 Activities and Accomplishments

In spite of many hurdles arising from the January 25th revolution, ERRADA was able to achieve significant results during ECP Year I including completion of a detailed policy analysis of state-owned agricultural land allocation and management process, completion of a RIA Guideline Manual, continuation of its inventory of Egyptian laws and regulations and the launch of its e-registry of inventoried laws. Finally, ERRADA has completed the initial version of its E-registry database of Egyptian Laws and Regulations. ECP is currently assisting ERRADA to develop a public communication plan to assist with the E-registry's launch.

Regulatory Impact Assessment: From January 8 – 13, 2011, Dr. David Parker of the United Kingdom’s Regulatory Policy Committee and a renowned expert on Regulatory Impact Assessment provided consultation to ERRADA on establishing guidelines for implementation of the RIA process in Egypt. During his consultancy, Dr. Parker met with ERRADA’s RIA working group, executive management, GMU management and the BOD in order to better understand ERRADA’s current capacity to implement RIA and to assist ERRADA in establishing a framework for RIA that could be rolled out over the coming two years. At the end of his consultancy, Dr. Parker delivered a draft RIA guideline to ERRADA. ERRADA and ECP will continue to develop and finalize the RIA guideline during the coming quarter.

During the quarter, ECP and ERRADA developed and submitted to the Ministry of Finance a draft work plan for implementation of a Regulatory Impact Assessment on the Draft Property Tax law. ERRADA also completed a draft RIA training plan and worked to finalize the draft RIA guidelines, which will be used to implement the Property Tax RIA. Finally, ECP will identify and field an international RIA expert to implement RIA training for ERRADA staff, finalize the RIA Guideline and participate in the Regulatory Impact Assessment of the Draft Property Tax law.

At the beginning of ECP Year II, the program will help ERRADA in conducting two RIA assignments for the ministries of Housing and Transport. ECP will provide ERRADA with a senior economist for quantification of costs and benefits.

Inventories: ERRADA continued its inventory of business laws and regulations within its Ministerial and Governorate units. During the course of ECP Year I, ERRADA inventoried 688 regulations and issued 1345 recommendations resulting in the repeal or consolidation of 97 regulations and the implicit repeal of 609 more.

Land Allocation Policy Study: In September 2010 the Ministry of Agriculture, which is responsible for the allocation of desert land for agricultural purposes, requested that ERRADA conduct a comprehensive study on land allocation and management in Egypt as well as other comparable countries and present the Ministry with policy options for reform of the current regulatory framework.

ECP provided ERRADA assistance through three experts who contributed to the study. ECP short-term land allocation and management expert Katja Dells, of the German land management agency BVVG, produced a comprehensive study on land allocation and management practices in Serbia, Germany, Ukraine and Mongolia. Ms. Dells also assessed current Egyptian land allocation and management practice and provided a range of recommendations for reform of the Egyptian system. Egyptian land expert, Dr. Sami El Zeini produced a comprehensive overview of the regulatory framework and execution of land allocation and management in Egypt. Finally, ECP Senior economist Dr. Soheir Sherif produced a cost analysis of implementing the various policy options proposed by ERRADA. The three deliverables were presented to the Minister of Agriculture on January 2, 2011 with ERRADA’s summary of their findings and recommendations on policy options to drive reform.

E-Registry: In July 2011 ERRADA launched an electronic database of laws and regulations related to the Egyptian business environment. This free e-Registry service will eventually be freely accessible to the public and contain more than 30,000 regulations. (<http://eregistry.errada.gov.eg>)

ERRADA is currently testing the systems with a limited number of registered subscribers. Once the system is fully operational ERRADA intends to eliminate the registration requirement. ERRADA regularly updates this database of laws, presidential decrees, prime ministerial decrees, and decrees of

subordinate authorities. The site has search functions based on regulation type, title, number or year of issue. In ECP Year II, ERRADA hopes to begin work on an English language version of the site.

A1.2 ECP Year II

ECP will work with ERRADA on maximizing the political commitment to RIA. ECP will help ERRADA targeting RIA towards proposals that are expected to have the largest impact. ECP will focus on working with ERRADA to finalize the RIA Guideline, launch the RIA study on the draft Property tax law, launch BAC public awareness roundtables for the property tax law and provide technical support and training for new ERRADA GRUs as established. ECP plans to field a RIA expert to assist ERRADA in conducting a RIA on the draft property tax law and finalizing the guideline. ECP will also collaborate on a public awareness campaign for the ERRADA e-Registry and, finally, participate in public private dialogues on the drafty property tax law to be organized by the Business Advisory Council. ECP will continue to support ERRADA in its efforts to expand to new governorates and ministries as well as becoming an institutionalized entity of the GoE. ECP will help ERRADA conducting various RIA assignments received from different ministries. Further capacity building support will be provided to the network of legal and economic officials in selected line-ministries who are expected to be in charge of preparing RIAs.

A2. Support for Commercial Laws, Fiscal Reforms, and Investment Policies

Egypt has in recent years established new entities and implemented reforms in existing agencies with the goals of increasing Egyptian competitiveness and easing administrative burdens on business. To assist in the achievement of these goals ECP is providing assistance to the Egyptian Tax Authority (ETA), the Industrial Development Agency (IDA), the Egyptian Competition Authority (ECA), and the Ministry of Finance in pursuing passage of critical commercial policies, laws and regulations as well as supporting the GoE's efforts to promote sound public finance management and fiscal decentralization.

A2.1 Activities and Accomplishments

Commercial Law Drafting: As a result of the January 25th revolution and changes in leadership within our counterpart Ministries, no work on commercial law drafting was completed during ECP Year I. Plans for commercial law drafting in ECP Year II are pending developments in the formation of a permanent government after the 2011 elections.

Support to the Consumer Protection Agency (CPA): Due to internal re-organization and leadership issues within CPA resulting from the January 25th revolution, USAID instructed ECP to suspend all collaboration with CPA until further notice. Accordingly, no activities or deliverables were completed during ECP Year I. Support remains under suspension as ECP Year II begins.

Support to the Egyptian Competition Authority (ECA): During ECP Year I, ECP organized a 3 month fellowship for one ECA staff member with the Federal Trade Commission in Washington DC. The ECA nominated candidate Tamer Hassan will begin the fellowship in the fall of 2011.

Support to the Industrial Development Authority (IDA): Due to internal re-organization and leadership issues within IDA resulting from the January 25th revolution, USAID instructed ECP to suspend

collaboration with IDA until further notice. Accordingly, no activities or deliverables were submitted to USAID or IDA during ECP Year I. Support remains under suspension as year two begins.

Support to the Egyptian Tax Authority in Developing a new Value Added Tax System: Throughout ECP Year I, the program worked with USAID and the Ministry of Finance to support the continued development and roll-out of the ETA's IT management system (ITMAS). One of the key issues facing the successful implementation of an eventual VAT law is ensuring an adequate IT system is in place within ETA offices. TAPR II previously assisted ETA in designing and launching the Tax Department's IT system, ITMAS. As the main driver of eventual VAT execution, ITMAS must be fully functional and bug free in order to support the addition of VAT modules once a law is adopted. To that end, ETA had received a commitment from former Finance Minister Youssef Boutros-Ghali to fund an approximately 1.6 million dollar maintenance and service contract with the companies Raya and Bull. To date, MOF has not committed to financing the maintenance contract. ECP continues to monitor the issue.

A2.1.6 Support to the Ministry of Finance in the Implementation of Fiscal Decentralization and Budget Transparency Activities: During ECP Year I, ECP provided assistance to the Ministry of Finance by reviewing and providing recommendations for improving its taxation policy. ECP continued that assistance during the third quarter by fielding Property Tax expert Dr. Roy Kelly of Duke University to review the present property tax law and administration and provide recommendations for improving both. Over the course of two weeks, Dr. Kelly worked closely with the Real Estate Tax Authority to review its administration and complete an article by article assessment of the 2008 property tax law. In addition, Dr. Kelly assisted the Ministry in a public awareness campaign by making presentations on property tax best practices and international experience in fiscal decentralization to Ministry employees and students at the American University in Cairo.

Dr. Kelly's work was well-received by the Ministry. It subsequently requested ECP to complete a total re-draft of the 2008 property Tax law taking into account Dr. Kelly's recommendations, international best practice and Egyptian realities. Due to political pressure, ECP was asked to complete the new law, as well as accompanying editorial comments with comparisons to the 2008 property tax law and the 1954 property tax law, in five business days. That draft was so well received by the Ministry it, after making fairly non-substantive amendments, presented a summary draft to the Supreme Council of Armed Forces and the Prime Minister for their review and approval. The draft was approved in principal and ECP was given a mandate to assist in a public awareness campaign and a Regulatory Impact Assessment to help build public support for the law prior to its presentation to an eventual Parliament. ECP concluded the quarter by completing a public awareness action plan and, with ERRADA, a draft RIA plan.

The MoF also requested ECP's participation in and financial sponsorship of a MENA-wide conference on Expenditure Control and Internal Audit in Government Financial Management, held from May 31 - June 2, 2011. In response to that request, ECP fielded Mr. Kenneth Reager, an international public finance management expert, to participate and make a presentation on international best practices in public finance management.

Finally, to further support the MOF in building fiscal decentralization capacity, ECP sponsored the attendance of Deputy Minister of Finance, Dr. Amina Ghanem, at a course on Fiscal Policy and Management held from June 27 – July 1, 2011 at Duke University.

A2.1.7 Support to the Egyptian Economic Courts – Ministry of Justice: During ECP Year I, the program funded the following series of trainings for Economic Courts personnel:

- Implementation of Economic Legislation:
 - 22 & 23 May (72 participants)
 - 25 & 26 May (61 participants)
- Enforcement of Judicial Judgment in the Field of Economic Litigation:
 - 15 & 16 May (23 participants)
 - 11&12 May (23 participants)
- Banking Transactions:
 - 11 & 12 June (35 participants)
 - 15 & 16 June (53 participants)

A2.2 ECP Year II

During ECP Year II, ECP will focus its efforts on assistance to the Ministry of Finance in developing and implementing income, sales and property taxes reforms. More specifically, ECP will assist MOF to draft executive regulations for the draft Property Tax Law, launch a property tax public awareness campaign and conduct a Regulatory Impact Assessment of the draft law. ECP will also sponsor a series of Duke University trainings for GOE officials on Tax Analysis and Revenue Forecasting as well as Public Finance Management. ECP will support the Integrated Tax Management & Administration System (ITMAS) by correcting the outstanding bugs and solving other technical problems and possibly provide support to introduce the needed modifications to prepare for the adoption of full VAT . ECP will help the Property Tax Authority in introducing the latest techniques in surveying and valuation. ECP will also provide continuing training support to the ECA in addition to helping them draft an amended competition law.

Streamlined Business Processes

ECP's Streamlining Business Processes (Component B) will enhance Egypt's Competitiveness by streamlining the processes for obtaining business registration, permits and licenses. The improvements to the business enabling environment will be documented, quantified and promoted in publications by the ENCC. The component life of project expected results (from the contract) include:

- (i) Simplified business processes including a Unified Business Registry (UBR)
- (ii) Ease of doing business improved through the creation of centers for permits and licenses
- (iii) Support to the Egyptian National Competitiveness Council (ENCC) which will include development of competitiveness strategies and supporting action plans for key sectors, such as tourism, higher education, and agro-industries

The three Component B subcomponents (UBR, Ease of Doing Business and Support to the ENCC) are complimentary initiatives. The UBR will make it simpler and easier to start a business; Improving the Ease of Doing Business will make the economy stronger and more competitive and the ENCC publications and initiatives will highlight and quantify the areas that need improvement and promote public-private dialogue to improve policies.

Business are started and operated locally. Therefore cooperation with the Chambers of Commerce and Governors at the governorate and district levels is critical to the success of this subcomponent. ECP's target governorates are Sharkia, Port Said and Alexandria. The business centers that will be established in these governorates will make it easier to start and operate a business. The improvement will be quantified in terms of the number of businesses established and the time required to obtain an operating license. ECP's objective was to have one Tamayouz center open in ECP Year I and a second center in ECP Year II. The program is behind schedule due to the revolution and challenges working in the governorates. The program now plan to have two centers open (Sharkia and Port Said) in ECP Year II, provide service to 46,000 customers, assist in the establishment of 12,500 (businesses and reduce the days required to obtain an operating permit to not more than 20 days.

B1. Unified Business Registry

The Unified Business Registry (UBR) will centralize and consolidate the current registries into one. There are five (5) current registries, managed by three separate organizations:

1. Commercial Registry: Internal Trade Development Agency (ITDA)
2. Export Registry: General Organization for Export and Import Control (GOEIC)
3. Import Registry: General Organization for Export and Import Control (GOEIC)
4. Commercial Agent Registry: General Organization for Export and Import Control (GOEIC)
5. Industrial Registry (factories): Industrial Development Authority (IDA)

Prior to the revolution all three agencies were under the Ministry of Trade and Industry (MITI). IDA and GOEIC are now under the Ministry of Foreign Trade and ITDA is now under the Ministry of Internal Trade and Social Solidarity (MOSS). This may make a unified business registry much more difficult, if not impossible, because ECP is now working across ministries. Consequently, USAID has recommended that ECP focus on implementation of the new software system at the Commercial Registry (at ITDA) only during this phase.

B1.1 Activities and Accomplishments

There are three primary activities in this subcomponent: (i) completion of the Unified Business Registry software; (ii) training and the development of a procedures manual; and, (iii) draft or update regulations to permit establishment of the Unified Business Registry.

The Unified Business Registry software was written by an Egyptian firm named Sakhr. This work was nearly completed under the previous USAID project, Technical Assistance for Policy Reform (TAPRII). At the beginning of ECP, the Commercial Registry (ITDA) had a total of 33 changes that they wanted in the design of the software. USAID agreed to finance the change requests. The new contract with Sakhr was signed effective May 30, 2011 and includes each of change order requests from the Commercial Registry (CR) as well as the data migration for the three main CR offices (Cairo, Giza and Alexandria). The software, including the change requests, will be complete by November, 2011.

The second primary activity of this subcomponent is training. ECP is supporting the CR with training in both Customer Service and Business Ethics. Under TAPRII a total of five hundred and sixteen (516) commercial registry employees received training in change management, basic IT, and customer service. Participants in these trainings were CR staff, managers, assistant managers, reviewers and cashiers. The ECP Customer Service training was completed over 4 consecutive weekends in June and July 2011 for 60 individuals. For some participants this was a refresher course. For others it was their first course. The course was designed for staff that are required to work directly with customers. The goal was to equip participants with the skills required to confidently and effectively manage customer service. Participants examined different types of customer behavior and the most effective way to address customer concerns. Participants were encouraged to develop greater understanding of their own behavior, as customer service representatives and explore the effect it may have on customers. This approach helped participants recognize the importance of delivering excellent customer service and improving CR customer satisfaction. Good customer service standards and directives include goals for each employee, such as making a good first impression on customers, friendliness, efficiency and creating a positive experience for each customer.

The expected result of the training was that the CR employees would provide better customer service. Specifically customer service agents would improve in their:

- Understanding customer requests
- Ability to manage different types of customers

- Handling customer complaints
- Treating people as they would like to be treated
- Ability to be professional and create a favorable impression
- Working under pressure
- Managing time
- Ability to be proactive service agents

The training highlighted the lack of standard CR procedures. The participants requested a procedures manual for registration processes. ECP is drafting the manual and it will be submitted by October 2011.

ECP is also providing Business Ethics training to 72 managers. The goal of this course is to improve customer service and establish a standard for professional ethics and behavior. The business ethics course covers potential ethical issues such as: (i) confidentiality; (ii) corruption; (iii) misuse of information; (iv) unprofessional performance; and, (v) ethical minefields. In addition, the course provides practical guidance on approaches for handling complaints, mistakes, negative behavior and miscommunication among CR employees. This training is being conducted over 4 consecutive weekends in September and October 2011.

The expected outcomes from Business Ethics training is that CR staff will:

- Act honestly, in good faith and in the best interests of ITDA
- Use care and diligence in fulfilling the functions of CR office
- Use resources of office for a proper purpose

Following the training, the CR staff will recognize, understand and know the most appropriate behavior or action regarding:

- Responsibility
- Misuse of information and/or position
- Personal and organization gains
- Managing staff conflict
- Protection of the ITDA reputation
- Positive and fair dealing with customers and other employees
- Misleading or deceptive conduct
- Unlawful or unethical behavior

The plan for Customer Service and Business Ethics training was submitted to USAID in an August 9, 2011 report entitled, “ECP Training Work Plan for ITDA: Year I”.

The third primary activity for this subcomponent was assistance with a new commercial registry law. ECP submitted a report on August 21, 2010 to USAID entitled, “An Analytical Review of the CR Law Accompanied with a Proposed Draft”. The report analyzes the existing law (CR Law No. 34/1976) and proposes changes. The report was prepared in consultation with CR managers.

B1.2 ECP Year II

The Sakhr contract includes each of the change order requests from the CR and data migration for the three main CR offices (Cairo, Giza and Alexandria). The Commercial Registry software upgrade will be completed by Sakhr by November 2011. When the software is complete it will be installed in the three main CR offices (Cairo, Giza and Alexandria) and existing digital records from those offices will be migrated to a new database. The first office implementation will be Cairo, followed by Giza and Alexandria. This is Phase 1. After those three offices are using the new system Sakhr will migrate the remaining CR offices to the new software system along with their data (Phase 2). When the CR is complete ECP will migrate the remaining registries to the new software (Phase 3).

In Year 2 ECP will continue to provide training and support to the CR as requested by ITDA and with the approval of USAID, including user and administrative system manuals, a legal manual and drafting a new Trade Name law.

B2. Ease of Doing Business

The ECP life of project (LOP) expected results, from the contract, for Ease of Doing Business, include:

- Reduction in time to issue licenses in selected governorates
- Establishment of a RIA mechanism in Alexandria and other selected governorates
- Increase in business operations in the selected governorates

The primary goal of this subcomponent is to build upon earlier efforts and create customer service centers which make it faster and easier to start a business and obtain required permits and licenses. Our critical assumption is that improvement in the ease of doing business will foster and enable an increase in business operations. More business means economic growth, more jobs and increased tax revenues.

Under TAPRII USAID created a Tamayouz center in Cairo, a Smart Service Business Center (SSBC) in Alexandria and began a Tamayouz center in Alexandria. The Tamayouz centers were designed to expedite the approval processes for *starting a business*. The SSBC expedites the process for obtaining the municipal approvals for *operating a business* including: (i) store license; (ii) road occupation license; (iii) sign license; (iv) personal license; and, (v) building and demolition permits. By the end of TAPRII the Tamayouz Cairo and Tamayouz Alexandria implementations had both largely stalled due to internal issues within the Chambers of Commerce.

B2.1 Activities and Accomplishments

ECP began by focusing primarily on continuing the Tamayouz Alexandria implementation and supporting the SSBC. The ECP Year 1 work plan was submitted in December, 2010. Based on the initial assessments used in preparation of the work plan ECP drafted status reports on the

SSBC and the Tamayouz center in Alexandria (“SSBC Status Report: Draft”, January 12, 2011; “Tamayouz Center Status Report: Draft, January 27, 2011). The SSBC status report included a proposal to dramatically expand the center from a successful pilot (which generated 2,200 licenses and permits in 2010) into a program with that will have a larger scale impact on the economy. Those draft reports were submitted to USAID just as the revolution was unfolding.

The component leader, Kim Shelsby, was evacuated, along with the rest of the ECP international staff, on February 1, 2011. He returned to Egypt on March 3, 2011. The revolution dramatically and adversely effected both the government and the Chamber of Commerce in Alexandria. The SSBC continued to function but the government was in disarray. Government buildings were burned during the revolution and the SSBC servers that held the backup data and the website were destroyed. In the weeks after the revolution the Governor of Alexandria was replaced. Similarly, the Alexandria Chamber of Commerce had significant internal challenges and personnel changes. ECP’s main counterpart was no longer employed by the Chamber.

In response to the new environment USAID and ECP decided to focus on primarily on the implementation in Port Said based on the positive response to initial meetings with the Port Said Chamber of Commerce (PSCC) in November, 2010. The Tamayouz Port Said model would be new and improved. It would include both the ministerial approvals required for starting a business as well as the SSBC-type municipal approvals required for operating a business. The ECP team began the work in Port Said with preliminary trips in March and April and the implementation gained momentum when Innove consultant Bryan Crosswhite returned in May.

On June 5 ECP met with the Governor of Port Said, along with the PSCC Chairman Mohamed El Masry, to present a draft MOU which provided the programmatic framework for all of the ECP activities including the Ease of Doing Business. The governor’s response was very positive. Immediately after the meeting, ECP launched the Tamayouz implementation at a kick-off meeting at the Port Said Chamber of Commerce.

The next day, June 6th , ECP met with the Governor of Sharkia, along with USAID Mission Director Jim Bever, to present a draft MOU. Once gain the reaction was very positive. The plan was to return to Sharkia in July for the official signing of the MOU. Director Bever requested, “significant progress” be made on the Tamayouz implementation before the signing ceremony. The ECP team returned the following week to meet with the Sharkia Chamber of Commerce and get approval for a preliminary implementation plan.

In late June, 2011 ECP presented a detailed work plan to USAID for implementing a Tamayouz in Port Said, Tamayouz in Sharkia and expanding the SSBC in Alexandria. In July ECP hired an international expert to assist in developing an assessment of the service providers in Sharkia. The report entitled, “Sharkia Tamayouz Center Assessment Report” (July14, 2010) was submitted to USAID.

All of the ECP team leaders returned to Sharkia in July and presented the ECP program to the Sharkia Chamber of Commerce Board of Directors. The Board supported the program and the Tamayouz implementation. The detailed work plan for implementation in Tamayouz Port Said, Tamayouz Sharkia and expanding SSBC Alexandria was updated in July and presented once

again to USAID. The updated plan included a request for 150 days STTA from Innove with a target opening date for both Tamayouz centers of November, 2010. In late July ECP met with the Egyptian Federation of Chambers of Commerce. The Federation Chairman, Ahmed Wakil, is very supportive of the Tamayouz concept and would support it as a national program. ECP has drafted a preliminary strategic plan for making Tamayouz a national program championed by the Federation.

In August the governors of Sharkia and Alexandria were both replaced and the implementation in Port Said lost all momentum. ECP has not been able to meet with the PSCC Chairman since June 5 and has yet to meet with the PSCC Board of Directors. To date our accomplishments for the Tamayouz implementation in Port Said include: (i) preliminary approval of the Tamayouz proposal by the Chairman of the Chamber of Commerce; (ii) procurement of a new server for the implementation; (iii) installation of SugarCRM; (iv) basic configuration of SugarCRM in English and Arabic; (v) installation of the SSBC software; (vi) configuration of the SSBC software; (vii) initial requirements gathering from the service providers; (viii) establishment of the Advisor Council; (ix) governor decree for the licensing unit drafted; (x) IT systems documents drafted; (xi) communication plan drafted; (xii) staffing requirements drafted; and, (xiii) renovation proposal drafted. This work provides the foundation for the work which will be completed in the next year. The Ministry of International Cooperation has directed the Governor of Port Said not to work with ECP and the Chamber of Commerce has not responded to requests to resume so all work on the Port Said Tamayouz has stopped.

In Sharkia, ECP completed an assessment of the current services for starting and operating a business. The center in Sharkia will follow the same model as Port Said so the work that has been done on communications, customer work flow and CRM will be used in both locations and become the model for a national program.

B2.2 ECP Year II

The main activity next quarter will be the implementation of the Tamayouz center and licensing unit in Sharkia and Port Said. These implementations will be the model for future implementations. ECP will work with the Egyptian Federation of Chambers of Commerce to explore the feasibility of transforming the Port Said/Sharkia models into a national Tamayouz initiative.

B3. Support for National Competitiveness

The ECP LOP expected results are: (i) key recommendations of the Competitiveness Strategy implemented; and, (ii) improved competitiveness rank in tourism, agro-industry and higher education.

In Year I ECP planned to assist the ENCC in finalizing the National Competitiveness Strategy and begin implementation of the key recommendations. This included a particular focus on ways to improve competitiveness in tourism, agro-industry and higher education. Immediately

after the revolution the ENCC plans were largely put on hold because both the Chairman and the Executive Director stepped down. The Chairman was replaced by Seif Fahmy and the ENCC is recruiting a new Executive Director. In the interim, Heba Zayed (Deputy Director, Research) and Dina Kafafy (Deputy Director, Administration) have been managing daily operations at the council. Both Heba Zayed and Dina Kafafy plan to resign at the end of September. ECP has been assisting the ENCC in recruiting replacements. These staff losses have been in part caused by and compounded by the more than six month delay by the Ministry of Social Solidarity (MOSS) in approving the ECP \$1.4 million grant to the ENCC which was drafted by ECP and approved by USAID in April, 2011.

B3.1 Activities and Accomplishments

The ENCC planned activities this year included: (i) the National Competitiveness Report; (ii) the Suez Economic Corridor ; and, (iii) the Governorate Competitiveness Index.

The plan was to have the National Competitive Report written (in English) by July, translated, printed and launched in September. The ENCC was not able to meet that timetable. As of September, most of the chapters have been written. Kevin Murphy, the executive editor, is working with the authors and the ENCC to complete the report by next quarter.

The Suez Economic Corridor is one of the flagship projects in the National Competitiveness Strategy. The concept has been around for some time. Under TAPR2 the idea was championed by the ENCC and promoted by Dr. Hossam Badrawi. USAID's critique of the TAPR2 effort was that it did not move beyond concept to an implementable plan. In October, 2010 ECP presented a short concept paper which summarized the opportunity and proposed a feasibility study. The initiative was endorsed by the Mission Director, Jim Bever, at the official launch of ECP, in November 2010. That concept paper was developed into a briefing document which explained the opportunity more fully and included a detailed SOW for a prefeasibility study. That document went through several iterations before being presented on August 9, 2011 in an ENCC meeting hosted by Dr. Hossam Badrawi and Mr. Seif Fahmy. Dr.Badrawi then met with the Supreme Council of Armed Forces to present the concept and the response was favorable. The briefing document was edited and translated so that it is now available for presentation to the Government of Egypt and other potential stakeholders. It will also be published in the ENCC's 8th National Competitiveness Report.

The SOW is now divided into two phases. Phase I would include the overall design, data collection, analysis, technical options analysis, economic and financial structuring, legal and regulatory, environmental and market assessment activities. Completion of this phase would provide the GOE, USAID and other donors and especially the domestic and international private sector the opportunity to consider all of the relevant options and recommendations from the assessment before moving onto Phase II, the "transaction" design and tendering phase of the project. ECP is working with USAID to finalize the scope to begin Phase 1.

The third main activity area for the ENCC this year was the Governorate Competitiveness Index. The goal of this activity is to produce a rating of competitiveness at the governorate level in Egypt. ECP contacted the Asia Foundation in February to gauge their interest and solicit their

guidance because they have and are managing similar programs in countries such as Indonesia, Bangladesh, Cambodia and Vietnam. The Foundation provided some initial guidance and contacts. ECP then drafted a scope of work for a full time consultant to manage the implementation of the index. Dr. Mona El Garf joined ECP in July to manage this activity. Since then a working group has been formed which includes representatives of USAID, ENCC, ECP, the Ministry of Local Development, Information Decision Support Center (IDSC), Ministry of Investment and the Ministry of Planning and International Cooperation (MIC). The group has met several times and to define the purpose and scope of the index and select a preliminary list of potential indicators.

B3.2 ECP Year II

The ENCC will complete and launch the 8th National Competitiveness Report next quarter. The report will be finalized in English, translated, printed and launched in a media event.

Phase 1 of the SEC feasibility study will take 12 months. In the next year ECP plans to implement Phase 1.

The implementation of Governorate Competitiveness Index will continue into ECP Year II. A preliminary list of indicators has been chosen. The ENCC will invite representatives of key governorates and business associations to review the proposed indicators and approach. ECP will sponsor a study tour for the working group to see a number of implementation models. The scope of the collaboration among the working group members will be developed into a Memo of Understanding. The goal is to have a pilot index completed within a year.

Improved Labor Skills and Productivity

ECP's Improved Skills to Market through Vocational and Technical Training (Component C) will enhance Egypt's competitiveness by improving the productivity of labor through improving technical training and encouraging entrepreneurship.

The ECP life of project (LOP) expected results, from the contract, include:

- Improved skills to market through vocational and technical training;
- Promote entrepreneurship activities; and
- Support developing a PPP for the new Cairo International University (**Note:** This task is expected to be deleted from the contract.)

These initiatives are mutually reinforcing as together they improve the skill levels of the Egyptian labor force, enhance the productivity of targeted sectors critical to Egyptian competitiveness and encourage entrepreneurial business start ups.

Improved Skills to Market through Vocational and Technical Training component works in four governorates of Egypt: Alexandria, Port Said, Beni-Suef and Sharkia. Technical assistance to the target training facilities in four governorates emphasizes the formation of school-based cadres of teacher trainers and employment service providers to keep the training program attuned to market demands and increasing graduates' productivity. The component exceeded its target of opening ten school-based training units (SBTUs) in ECP Year I with the opening of an eleventh training unit. In addition to innovative technical training, the trainees receive guidance in opening their own businesses and starting entrepreneurial activities. An entrepreneurial activity, to start in ECP Year II, will be embedded in each course curriculum to introduce entrepreneurship to secondary students. Graduates with the skills demanded by the labor market build the private sector's confidence in the training facilities' capacity to supply a qualified labor force and increase the employment opportunities of training graduates.

Training must result in employment; therefore, the employment services of a training facility play an important role as the training itself. ECP exceeded its target of opening six school-based employment units with the opening of eight units to provide employment guidance to all graduates. ECP is currently developing an employment database to facilitate employment services.

Additional support to promoting Egyptian labor productivity is provided through support to entrepreneurs from the four governorates. Activities are designed to identify, support, and nurture potential entrepreneurs. Four events have successfully spurred entrepreneurs resulting in three product launches, six business startups and four investments in entrepreneurs' ventures. As the entrepreneur ecosystem grows in Egypt, the innovations will energize the market and more jobs will be created.

ECP's Skills to Market capitalizes on the talent and energy of the other ECP components to ensure uniformity of implementation and to capitalize on talent and resources. For example, ECP C relies upon ECP's Streamlined Business Processes (Component B) to provide information regarding the licenses and permits required for business start-up. Strengthened Financial Sector (Component D) provides the financial information training graduates and/or entrepreneurs need to start their businesses. Both of these components participated in training organized by the Skills to Market component for technical teachers in Alexandria. The Skills to Market component relies on the Strengthened Financial Sector component

to guide ambitious training graduates and innovative entrepreneurs to financing. The Skills to Market component consciously seeks these linkages with the other project components for successful project implementation.

C1. Improve Skills to Market through Vocational and Technical Training

Vocational training targets the two sectors identified as having the greatest need for improved skills and potential employment: food processing and ready-made garment production. A third sector, tourism, will be added during ECP Year II. The ECP life of project (LOP) expected results, from the contract, include:

- Improved labor skills in targeted industries (food processing, ready-made garment production and tourism)
- Increased employment rates of graduates of vocational training
- Improved quality of education in selected technical schools

C1.1 Activities and Accomplishments

ECP signed an MoU between the Ministry of Education and ECP for the implementation of pilot vocational training in the support skills for ready-made garment production and food processing in technical high schools in the four (4) target governorates. When tourism is added in ECP Year II, the MoU will be amended. The MoU paved the way for ECP to form the School-based Training and Employment Units.

ECP is improving the quality of vocational education which leads to higher productivity in the selected technical secondary schools through the creation of school-based training units (SBTUs). These units will link teachers and target industries to ensure training course content will provide the skillset demanded by the market. The SBTUs will ensure the presence in each pilot school of a cadre of qualified, informed vocational instructors with the capacity to implement and monitor the up-to-date technical trade training. The SBTUs will be critical to the sustainability of the program.

During the first year, ECP conducted six intensive one-week courses for forty-eight (48) teachers from eleven (11) target schools and one MOE official. Training content included:

- Conducting school training needs assessments
- Identifying instructional gaps and setting priorities based on the needs assessment
- Developing the first annual training plan for the SBTU
- Working and communicating as an effective team within each school

Eleven SBTUs have been established in the represented schools (4 in Alexandria, 3 in Port Said, 2 in Beni-Suef and 2 in Sharkia.) The remaining three schools' SBTUs will be trained in ECP's second year. After training, teachers returned to their schools to complete three tasks with the technical assistance of ECP: (i) conducting a school training needs assessment and an assessment of the gaps; (ii) designing the first year training plan to address and prioritize the identified gaps; and, (iii) finalizing the first SBTU training package. ECP will support the SBTUs with provision of the equipment, follow-up training, and mentoring. All eleven schools completed their tasks.

Training must be inexorably linked to employment. Strong employment services are as essential to a vocational training program as the technical instruction. In order for the training schools to offer a comprehensive vocational program which results in employment, ECP is facilitating the formation of School-Based Employment Units (SBEU). These SBEUs will:

- Liaise with companies to identify employment possibilities for training graduates
- Offer career guidance and job counseling to trainees
- Establish an employment database to track employability
- Secure training apprenticeships in the relevant sector for trainees
- Ensure the entrepreneurial and employability skills curricular units are presented in each course and updated as needed

During the ECP Year I, ECP conducted the first introductory SBEU workshop, attended by school principals, candidates for SBEU cadres, and MOE Technical Education staff along with private sector representatives, to explore the feasibility of establishing SBEUs in eight (8) pilot schools. All attendees enthusiastically accepted the SBEU concept. ECP is presently awaiting the finalization of a ministerial decree to establish SBEUs in each school.

In anticipation of MoE approval for the SBEUs, ECP conducted a second SBEU workshop to build the capacity of the SBEU teams. This training introduced the SBEU concept and goals, finalized the unit's plans, and offered team building and communication skills. The ECP IT team is now developing a SBEU database to enable the team to track employment opportunities and graduates' employment. It is critical to establish these employment units as soon as possible in order to increase employment opportunities for trainees.

C1.2 ECP Year II

Training will remain a concentration of the Skills to Market subcomponent during ECP Year II. The component will focus on opening SBTUs in the remaining three technical schools. When ECP is approved to work in the tourism sector, training units will be opened in those technical schools as well. ECP is also working with the MOE Technical Education Sector to ensure that the curriculum reflects best international practices and sufficiently prepares trainees for the workplace. In response to international best practice to include entrepreneurial skills in secondary technical curriculum, an entrepreneurship unit, to be developed in ECP Year II, will be added to each training course to motivate trainees to consider implementing their own innovative ideas or to start their own businesses. Skills to Market will liaise with other ECP components to ensure the curriculum contains accurate information regarding business licensing and registration as well as suggestions for financing business plans.

In order to ensure training results in employment, ECP will open SBEUs in the remaining six technical schools and any tourism-sector schools added in the future, and train the schools' employment cadres. ECP will monitor the SBEUs' employment services to provide active support for facilitating employment. The employment database, to be activated in ECP Year II, will allow staff to track employment opportunities as well as maintain the employment record of graduates. The employment goal for 2011 is 1,000 ECP-supported training graduates.

ECP's Skill to Market will provide a training course for Boards of Trustees, based on the TVET model, on financial sustainability and support of the technical schools' activities. The formation of SBTUs and

SBEUs coupled with assistance with developing a comprehensive curriculum will build the capacity of the technical schools to offer quality training resulting in greater employment for training graduates

During ECP Year II, Skills to Market will expand its training activities to entertain specific requests from companies for training which guarantees employment. For example, if a factory requests specific training for twenty people that it will hire upon completion of training, Skills to Market will seek ways to offer the training. One possibility is to work with the Ministry of Migration and Manpower (MoMM) and universities to upgrade the capacity of the Vocational Training Centers (VTCs) to become centers of excellence. If use of the MoMM centers is not an option, another possibility would be engage private training institutions to offer training. These facilities could be used to offer training in response to specific private sector requests.

C2. Entrepreneurship Promotion

In both the target technical schools and the greater population of the Alexandria, Sharkia and Port Said governorates, the Entrepreneurship Promotion subcomponent will actively promote entrepreneurship which results in new businesses and job creation. The ECP life of project (LOP) expected results, from the contract, for Entrepreneurship Promotion include the following:

- Improved connection and coordination among local entrepreneurship organizations, universities and research organizations
- Improved mentoring opportunities for entrepreneurs
- Improved access to finance entrepreneurs
- Improved entrepreneurship capacity and business development in Egypt
- Increase media coverage of Egyptian Entrepreneurs
- At least 100 participants from ECP-supported events will start their own businesses
- At least 300 young perspective entrepreneurs will graduate from entrepreneurship trainings
- Improved entrepreneurship legal environment in Egypt

The need for entrepreneurship promotion to bolster innovation in the Egyptian economy is greater than ever. ECP will respond with urgency to support the development of growth entrepreneurs whose impact has the potential for job creation and economic growth.

C2.1 GEP/SEE Activities and Accomplishments

ECP/GEP's goal focuses on starting, growing and financing high growth entrepreneurs who will create jobs and introduce new ideas in the marketplace.

ECP/GEP's activities promote and enhance the overall entrepreneurial ecosystem of Egypt. In order to promote the idea of entrepreneurship, ECP/GEP organized Start-Up Weekends in Cairo and Alexandria, Innovation and Entrepreneurship Days at Alexandria University and NexGen IT Boot Camp in Cairo's Smart Center to target creative, energetic young people who want to develop their innovative ideas into businesses. Although the original target was to have 300 people participate in these events, ECP/GEP has raised the target to 1,000 participants based on the turnout at ECP Year I events. These events were covered extensively by the Egyptian media, which served to raise awareness of Egyptian entrepreneurship. Egyptian media is eager to provide coverage of all these events as they represent a new development for the country. To ensure excellent coverage of entrepreneurial events, ECP/GEP hosted a workshop for journalists to introduce them to the entrepreneurial activities ongoing in Egypt.

The entrepreneurship activities have already resulted in success with the launch of three products from Egyptian entrepreneurs who participated in the ECP/GEP-sponsored NexGen Entrepreneurship Boot Camp. ECP/GEP has helped at least 6 entrepreneurs to start up their businesses with the support of the GEP Showcase Competition, the start-up weekend events and NexGen. ECP/GEP facilitated a \$195,000 US investment into the entrepreneurship ecosystem when \$40,000 was donated to the winner of the showcase competition. Another \$125,000 was invested into Flat6 Labs by the NexGen delegation. ECP/GEP catalyzed four investor deals, including three deals from Sawari Ventures and one investment for a participant of the start-up weekend and NexGen events.

In order to facilitate financing for the entrepreneurial endeavors, the subcomponent is establishing the first Egyptian Angel Investment Network, a network of high net worth people who make equity investments in early-stage small businesses. ECP/GEP has been planning angel investment training for AmCham, Entrepreneurs Business Forum and the Alexandria Business Association, expected to take place during ECP Year II. The end-of-project result of the establishment of this network will be to have twelve business start-ups (3 in ECP Year II; 9 in ECP Year III) funded by the angel investors. As stated earlier, two investment deals are already in progress.

ECP/GEP is developing a gender communication and outreach plan to ensure more women have access to entrepreneurial activities. ECP/GEP organized five focus groups among women in three governorates (Cairo, Alex, and Port Said) to discuss a marketing strategy to attract female entrepreneurs. ECP/GEP's goal is to involve at least 30% women participants in all activities.

ECP/GEP selected the companies under the ECP IQS umbrella contract to bid on task orders for training in entrepreneurship and financing entrepreneurs. USAID has approved the list and ECP/GEP is currently awaiting final USAID approval to subcontract. The first task order for the entrepreneurship boot camp has been written to implement as soon as approval is granted.

C2.2 ECP Year II

Building upon the momentum established during ECP Year I, the ECP Entrepreneurial Promotion subcomponent has planned an aggressive campaign to attract potential entrepreneurs during ECP Year II. ECP/GEP's target is for fifty entrepreneurs to start their businesses, including 30% female entrepreneurs, as a result of the dynamic entrepreneurship "boot camps" and other events in target governorates. At least one activity will be specifically designed to attract entrepreneurs in agribusiness which is prominent in Sharkia. ECP/GEP will implement a mentoring strategy that increases the number of entrepreneur mentors in the eco-system to assist the new entrepreneurs in their new businesses. A gender communication and outreach strategy that ensures 30% female participation will continue to be developed and implemented.

Development of the angel network will continue with more investors identified. Through the establishment of the local angel network, cooperation with international investment delegations, and various events highlighting entrepreneurship, three (3) equity deals will be facilitated. Angel investors will also be recruited to serve as mentors. ECP/GEP expects to organize at least six events during ECP Year II highlighting entrepreneurship investment.

ECP/GEP will continue to increase awareness of Egyptian entrepreneurship through engagement of the media. One specific activity will be the Egyptian Journalism Competition for best coverage of entrepreneurial activities. The award, aggregated by media type, will be so appealing that the media will want to keep entrepreneurial activities in the news. ECP/GEP expects entrepreneurial activities to be

mentioned in the press at least 200 times during ECP Year II. Such extensive coverage will serve to raise awareness of the Egyptian entrepreneurial ecosystem.

ECP/GEP continues to strengthen the entrepreneurship ecosystem through organizing Entrepreneurs' Voices events to advocate for entrepreneurs. Issues, challenges and recommended solutions from entrepreneurs' experiences will be shared. Two events are planned, one in Alexandria and one in Port Said, during ECP Year II. ECP/GEP is also exploring the idea of assisting in developing a strategy for opening a franchising promotional center where international and Egyptian franchises and interested franchisees can receive information on franchising in Egypt.

Strengthened Financial Sector

ECP Strengthened Financial Sector (Component D) will enhance Egypt's competitiveness by strengthening the financial sector including non-bank financial services, pension reform and access to finance by small and medium size enterprises (SMEs). The component life of project expected results, from the contract, include:

- (i) Support for the Egyptian Financial Supervisory Authority (EFSA) and the development of a regulatory framework for insurance, mortgage, capital markets, financial leasing, factoring, and microfinance companies
- (ii) Improved regulatory framework for the pension system in Egypt
- (iii) Improved access to finance for SMEs

ECP is working with Egyptian Financial Supervisory Authority (EFSA) to strengthen non-bank financial supervision; with Ministry of Finance (MoF) on the new public pension law; and, with General Authority for Investment and Free Zones (GAFI), the Egyptian Banking Institute (EBI) and the Egyptian Institute of Directors (EIoD) on improving SME formalization and access to finance.

Since the revolution ECP has, at the request of USAID, focused primarily for a short period on SME Access to Finance. By end of Year One, EFSA and MOF were once again ready to engage and implement their programs with ECP.

D1. Non-Bank Supervision

Technical assistance under this subcomponent includes three main areas: (i) non-bank financial regulations; (ii) the non-bank financial services training institute; and, (iii) the EFSA arbitration center. The developments in Egypt and consequences of January 25th revolution have had a marked impact on the stability and priorities of our counterparts. However, ECP regained their full engagement by end of Year One.

D1.1 Activities and Accomplishments

Activities in this subcomponent fall into five categories: (i) new rules and regulations for non-bank financial markets; (ii) market awareness workshops; (iii) training institute business plan, organization chart, and manuals; (iv) training programs for non-bank supervisors and professionals; and, (v) business plans, organizational chart and manuals for the EFSA arbitration center.

New Rules and Regulations for Non-bank Supervision: Under the ECP Year One work plan, EFSA had a number of initiatives including: (i) drafting a law for supervision of non-bank financial institutions, including micro finance; (ii) revising the financial leasing law; (iii) revising the mortgage finance law; (iv) drafting a new law for private health insurance; and, (v) revising the private pension funds law. Those draft laws were pending passage by the Parliament. Given the developments following the revolution and the dissolution of the Parliament, these draft laws were put in hold this year (2011). Accordingly, ECP technical assistance was shifted to the EFSA training institute and arbitration center.

The planned market awareness and judges training workshops were put on hold awaiting specific dates to be identified by EFSA's Chairman.

Early in January 2011, ECP received a request from the former chairman of EFSA, Dr. Ziad Bahaa El Din, to revise and comment on EFSA rules on microfinance before official issuance. ECP prepared a memo with all the comments and was delivered to the chairman.

Upon a request from EFSA Chairman, ECP reviewed and commented on EFSA's draft executive regulations on Sukuk, a new financial instrument that has hybrid characteristics of debt and equity financing instruments and is considered an Islamic Shariaa-compliant instrument. ECP suggested that the executive regulations would cover the legal structure of a Special Purpose Vehicle (SPV) or a joint venture underlying the utilization of asset-backed Sukuk, as is the case for Asset-backed securities (ABS). The purpose of the SPV or the joint-venture is to pool the assets financed by the proceeds from Sukuk separately from the issuer to protect the interests of the Sukuk holders in case of default or bankruptcy of the issuer on other debts. The EFSA Chairman requested ECP assistance in revising the draft regulations. The proposed revisions were completed and sent to the Chairman in August 2011.

A new initiative by EFSA was to study issuance of standards for actuary profession. The UK standards, issued by the Financial Reporting Council, were identified by EFSA as a model to consider. ECP will support EFSA's initiative by providing an Egyptian Actuarial expert to review and edit Arabic version of the actuary standards to be developed by EFSA staff.

Training programs for non-bank supervisors and professionals: The EFSA Chairman and EIFS Executive Director requested ECP technical assistance to build capacity and prepare EIFS for international accreditation as a training center as well as to implement its first-year training plan. The technical assistance includes:

- Finalizing business plan and job descriptions for final approval by the BOD
- Developing the core policies and procedures manuals of EIFS (training manual)
- Developing corporate identity and designing its web site
- Developing curriculum of a set of training programs including corporate compliance, anti-fraud and corruption, financial risk management and corporate governance
- Provisions of international speakers and co-sponsoring international training programs and/or events of EIFS (e.g. regional conference on Sukuk in January 2012)

EFSA arbitration center: Early this year, ECP completed a comparative study of financial markets arbitration centers in five countries (USA, UK, China, Singapore and Australia). The research concluded that the best and most relevant model for EFSA to follow is the UK model of FSA. Further review of the model and establishment of EFSA arbitration center will be on ECP Year Two work plan.

D1.2 ECP Year II

ECP will continue to work with EFSA next year on a number of activities already begun in Year 1, and it appears that the emphasis will be on developing EIFS. However, there are a number of other activities that will be continued and developed during the year. Below is a brief list:

- Adopting the draft executive regulations on Sukuk
- Drafting Egyptian Standards for the actuary profession

- Designing and implementing public awareness workshops
- Implementing the EFSA training institute, EIFS
- Implementing the EFSA arbitration center

D2. Pension Reform

The ECP Year One work plan included supporting the MOF efforts to: (i) design the new pension systems based on international best practices; (ii) draft regulations and rules for the new system; (iii) train pension professionals including actuaries; (iv) present model organizational structures for pension administrators and proposed organizational structure and mandate for the investment sector of the new pension authority; and, (v) conduct workshops to raise awareness of the new pension system.

Following the revolution, the Minister of Finance wanted to emphasize other activities than the pension reform. Thus, the effective date for implementation of the new pension law has now been moved to January, 2013 instead of January, 2012. Accordingly, ECP technical assistance was shifted to building capacity of the Government Actuarial Department of the MOF where ECP provided training and certification.

The MOF Deputy Minister Dr. Mohamed Maait has also requested ECP support in building capacity of the pension authority training department. ECP will develop and implement a plan for training more than 30,000 staff throughout the country in implementation of the new pension system. USAID responded positively to the two new requests and they will be included in Year Two work plan.

D2.1 Pension Reform Activities and Accomplishments

ECP activities and accomplishments in pension reform include: i) sponsoring a MOF staff member to attend a master program in actuarial studies in UK; ii) sponsoring four MOF actuary department staff to attend the summer school in social security system design and management in Turin in Italy with the international training center of the ILO; and iii) co-sponsoring one MOF employee to attend the training workshop in change management with the ILO.

D2.2 ECP Year II

Next year ECP will continue support to the MOF in pension reform: i) possibly co-sponsoring a workshop to assess the new pension system, and providing STTA experts to participate; ii) building capacity of the pension authority training department; iii) review and draft executive regulations; iv) propose organizational structures and functional statements for pension administrators/ authorities to guide and finalize the structure of the new National Authority for Social Insurance and Pensions (NASIP); and v) propose the structure and mandate of the investment sector for the new authority.

D3. SME Access to Finance

Promoting SME access to finance is a high priority for the GOE, as well as SME businesses. In Year One, this sub-component had many counterparts including the General Authority for Investment and Free zones (GAFI), Egyptian Institute of Director (EIoD), Egyptian Banking Institute (EBI), and the Nile Stock Exchange (NILEX). GAFI is sponsoring a new private equity fund for SME investment. EIoD was developing a specialized training program for SME borrowers couched under corporate governance,

which includes assisting SMEs to become bankable. EBI is providing training to banks to provide credit to SMEs, and NILEX is promoting listing and training for small cap companies.

Activities under the SME “Access to Finance” subcomponent fall into three categories: (i) review and propose revisions to NILEX listing and trading rules to facilitate accessing equity financing by SMEs; (ii) expanding EBI training to potential SME borrowers in coordination with banks so training leads directly to approved loan applications; (iii) improve formalization of SMEs through training by EIoD in minimum corporate governance required for SMEs to be bankable and investable; and, (iv) assist in drafting and passing a new law on Secured Lending that also encompasses a Moveable Property Registry.

Following the revolution, this subcomponent became the highest priority for the Government. In May 2011 the ECP team started the efforts to enhance EIoD program to SMEs. The ECP team reviewed the course outline and proposed revision of the training material. However, EIoD stopped activities because their sponsorship by the Ministry of Investment (MOI) ended. Egypt Exchange (EGX) and NILEX stopped any new initiatives as they were struggling resuming trading following halting their activities because of the political unrest and January 25th revolution.

Hence, the only formal counterpart that was engaged with ECP in Year One was GAFI. ECP supported GAFI by:

- Conducting research and drafting a paper of SMEs investment funds
- Conducting an assessment and producing recommendations to improve the proposed structuring of the SMEs investment fund
- Providing legal advisor to draft the SMEs fund management agreement
- Providing a legal and comparative study of the proposed SMEs and Entrepreneur Center of GAFI (Bedaya Center)
- Conducting research on international accounting standards for SMEs

ECP has established connections with banks and other financial institutions (e.g. leasing companies, MFIs, Credit Guarantee Company, I-score, other donors) that are interested in, or engaged with, SMEs financing. These connections were used to assess the market obstacles and opportunities and to assess possibility of establishing a USAID Development Credit Authority (DCA) Guarantee for promoting SMEs financing.

In September USAID requested that ECP conduct an assessment of the impact of the January 25th revolution on the microfinance market to identify those impacts and areas of potential USAID support to MFIs. Team Lead, Dan Berkshire finalized the SOW and budget for this assignment and is awaiting USAID approval to proceed. This assessment will be conducted in October/November 2011.

D3.1 Activities and Accomplishments

- ECP and USAID/DCA conducted a series of meetings with banks and financial leasing companies to explore their interest in and possibility of using DCA Guarantees to promote SMEs access to finance as well as mortgage finance. These meetings included: CIB, NBE, NSGB, HSBC, AT Lease, ORIX, Barclays, NBD, BoA, etc. The assessment of DCA concluded with guarantee offers to NBE, HSBC and AT Lease. A DCA Portfolio Loan Guarantee agreement has been closed with HSBC in the amount of \$17 million (revolving to \$34 million). In conjunction with the Mission and DCA/EGAT, ECP will provide the required monitoring or the Guarantee agreement with HSBC.

- ECP members conducted a series of meetings in Alexandria, Port Said, and Sharkia with a number of NGOs involved in SME activities and entrepreneurship. ECP identified its main counterpart in Alexandria to be the Alexandria Businessmen Association (ABA), which is heavily involved in micro lending and assisting SMEs to access banks finance. Similar to ABA, is the SME Development Association (SMEDA) in Port Said. The meetings discussed current SME issues and potential cooperation between parties to achieve practical solutions.
- ECP conducted a study to assess the proper structure of GAFI Bedaya Center for SMEs from both the legal and international perspective. The study covered the NGO, corporate and internal department with GAFI as alternative structures and covered similar organizations in France, Bangladesh, UK, Ghana, Malaysia, and India.
- ST Investment Fund Advisor Tom Gibson worked with ECP and GAFI on an assessment for GAFI on the proper set-up of its SMEs fund. After reviewing the proposed structure of the fund as developed by GAFI, Mr. Gibson shared with GAFI his concerns about the ability of the proposed structure to meet the intended objectives of the fund. The main recommendations made by the consultant was that GAFI needs to reconsider the appropriateness of a private equity fund and suggested a risk-capital type fund where funding would be extended to SMEs in a package of small equity interests coupled with shareholder loans with variable rates of return as a percentage of turnover instead of a fixed fee. The consultant also provided GAFI guidance on how to assess and ensure the vision and strategy of the prospect fund managers and the main provisions to be covered in a fund management agreement between GAFI and the prospective fund managers.

The consultant shared with GAFI the following notes/documents:

- Comments on issues of proposed fund structure;
- Tables to collect projections of fund managers;
- Draft fund management agreement;
- Investment policy guidelines; and
- Illustrative operating agreement of the fund;

The consultant also provided the following discussion papers to EFSA as guidelines not specifically related to GAFI Fund but can be applied in the future to other funds:

- Investment strategy guidelines;
 - Shareholders loan presentation; and,
 - Term sheet for shareholder loans.
- ECP engaged a law firm to draft the fund management agreement for GAFI's Investment fund(s)
 - ECP launched an Indefinite Quantity Subcontract (IQS) to hire a number of Egyptian training and consulting firms and NGOs to provide assistance to three components under ECP. Component D will utilize Sub Task Orders for training and handholding assistance to small businesses in Alexandria, Port Said and Sharkia Governorates to improve the ability of SMEs to access and secure loans from banks. The IQS is scheduled to be implemented in Year Two and year Three.
 - ECP conducted two meetings with IFC and USAID on coordinating and collaborating efforts to prepare a draft law on secured transactions and a movable collateral registry as well as a draft law on financial leasing. IFC and USAID (through ECP) will provide recommendations to the Central Bank

of Egypt and the Ministry of Finance to sponsor adoption of a law for secured transactions and establishing a collateral registry to secure interests in movable property that would encourage banks and other financial institution to extend financing to SMEs.

- ECP worked with USAID and other international donor agencies on the formulation of a strategy for the MOF for development of MSMEs. The purpose of this strategy is to coordinate and collaborate with the GOE on various donor sponsored efforts in support of MSME development to rationalize and expedite implementation of MSME programs to accelerate job creation and increase productivity. As part of this initiative ECP drafted, with CIDA, a prime ministerial decree to establish a ministerial steering committee on MSMEs development including its mandate, structure and protocol.
- Subsequent to a meeting with an SME form Port Said (Ittamen), and within ECP capacity to assist SMEs, Senior Financial Advisor, Lamia Zufzafy prepared a financial feasibility study to assess the viability of a garbage collection project in the city of Port Said. The SME owners had met with the Team Lead Dan Berkshire who took this initiative to give them TA. The study is to be discussed with the SME early October where some comments and financial advice are to be shared with Ittamen.
- ECP has worked with USAID and OPIC implementers devising ways of collaborating and cooperating with OPICs implementers on their Loan Guarantee programs for local banks for SME borrowers.

D3.2 ECP Year II

In Year 2 will build on the activities in the first year, and the ideas and concepts related to the needs of SME businesses, which represent the vast majority of all businesses in Egypt, and one of the most underserved regarding the ability to access needed finance. Thus, ECP will work with its counterparts in Year Two on:

- Conduct the microfinance market assessment for USAID, with related recommendations. Possibly provide assistance to some MFIs if needed and instructed by the Mission.
- Implement the ECP/IQS Sub Task Orders in three governorates providing assistance to potential borrowers in obtaining loans, and in working closely with banks in the governorates. This will also include the HSBC DCA Guarantee program when possible.
- Present to the CBE a proposal for issuing a rule to require banks to assign a portion of deposit funds mobilized in each governorate to extend credit to SMEs within each respective governorate to promote SMEs access to finance and support local development and competitiveness. If successful, ECP will provide TA to CBE to implement new rules/regulations.
- Working closely with IFC we will agree with CBE on draft law for secured lending transactions and movable property registry.
- Improve Nilex listing and training rules.
- Design and provide training programs to companies interested in listing on Nilex.
- ECP will work closely with HSBC related to their DCA Guarantee, and will provide the monitoring required under the Guarantee for the Mission and DCA/EGAT. Provide TA and other assistance to HSBC under the DCA guarantee, if necessary.

- Provide the Mission and DCA/EGAT assistance if they decide to pursue other DCAs in Egypt.
- Collaborate and coordinate our access to finance aspects with OPIC implementers in regards to their new \$250 million loan guarantee program for Egyptian banks.
- Provide assistance to EBI on SME borrower and bank training programs.
- Continue assistance for EIoD on their potential borrower training to access loans from banks.
- Provide assistance to the Mission if needed regarding the proposed SME Investment fund being discussed for Egypt.
- Provide assistance to specific banks if requested and approved by the Mission to set up active SME Loan Departments that will focus on loan to Small businesses needed funding above the MFI loan ceilings.
- Continue to work closely with the Improved Labor Skills and Entrepreneurial Promotion components of ECP regarding access to finance issues, which include loans and investments.

Cross-cutting Component

The ECP Cross-cutting team’s mandate is to provide comprehensive support across ECP’s program components centered on developing and providing coherent training, communication and public awareness and IT support services. Additionally, the cross-cutting team provides operational and management support to the ECP team.

The component life of project expected results (from the contract) include:

- (i) Implementation of training, and commodities procurement
- (ii) Grants to U.S. and non-U.S. NGOs
- (iii) Monitoring and Evaluation

E.1. Training and Procurement

E 1.1 - Training

The ECP training team’s objective is to build counterpart human capacity and to develop institutional capacity within the participating organizations. Over the past year, ECP worked with GOE counterparts to design and enhance their capacity in their respective program technical areas.

Annex 5 details ECP Year I training activities. Activities include both off-shore (U.S. based and Third Country) training as well as in-country training including workshops, events, and roundtables. Despite the challenges of the 25 January revolution ECP exceeded its contractual training requirement for ECP Year-1, both in terms of the number of events and total number of participants. Five off-shore training events were completed; three others were pushed back due to the uncertainties arising and following the revolution.

Component	Number of Events	Total Participants	Contract Requirement
Component A	15	629	
Component B	12	230	
Component C	25	2055	
Component D	3	5	
Total	55	2919	12 events 360 participants

The ECP training team always looks for opportunities to realize savings to the U.S. government. We examine all cost elements involved and strategize on ways where we can reduce costs while maximizing the impact of program resources. We estimate that these techniques saved the U.S. government approximately \$19,000 during this year. We achieved this by encouraging lodging either at or at nearby hotels to the training venue. We also accommodated participants in double rooms, whenever feasible. Additionally, we also benefited from discounted rates on catering for events, and whenever possible, we used the counterpart’s venue and facilities. A number of activities were on a “cost-share basis. For example the “Expenditure Control and Internal Audit in Government Financial Management” activity

was jointly funded by USAID, IMF and World Bank. The “NextGen IT Bootcamp” was jointly funded by USAID, Danish Embassy and the Egyptian Ministry of Information and Technology.

ECP Year II

The ECP training plan for Year II is attached as ANNEX 6.

E1.2 Commodities Procurement and IT

The ECP commodities budget is a plug figure of \$1.0 million, which covers the ECP Office IT procurement and the counterparts IT procurement. Also, in accordance with the contract, ECP shall procure and refurbish equipment for various vocational training sites. Those needs are currently being assessed.

The ECP IT department provides additional technical support to ECP’s program counterparts as well as overall operational program support to the ECP team.

Activities and Accomplishments

Conduvice Regulatory Environment (ECP Component A)

- 1) ERRADA: Completed the procurement of IT equipment but whicyptianh is currently on hold based on USAID instructions. Two laptops and one laser printer from the ERRADA inventory have been transferred to MOF per USAID request.
- 2) MoF: Analyzed and met with the Egyptian Tax Authority (ETA) to support the ITMAS system at the request of the MoF and USAID.
- 3) MoF: Provided IT Technical assistance to implement and publish an online Blog to address issues and an open discussion with the Revolution Youth.
- 4) MoF: Discussed with the Property Tax authority possible USAID support to help in implementing a Real Property Tax Archiving System.

Ease of Doing Business (ECP Component B)

- a. Procured a server for Tamyouz Port Said to host the CRM system
- b. Implementation of the CRA “change requests” for UBR system developed by Sakhr Egypt.

Skills to Market (ECP Component C)

- c. Provided analysis and design of a database to be used by school employment units. This database will link graduates of the vocational training centers to job opportunities.

ECP Year II

- MoF: Design and implement a gap analysis and solutions related to the Egyptian Tax Authority’s (ETA) ITMAS System with USAID, MOF and Raya/Bull. This will allow ITMAS to become fully functional and bug free. ECP will engage Raya and Bull to find appropriate solutions given an estimated USAID funding support of \$250,000.
- MoF: IT assistance to implement an Archiving System for the Property TAX Authority. This activity may be implemented in coordination with ETA.
- Implement and publish the AID Project system, which will be used to automate the ECP approval process with USAID.

- Support entrepreneurs through the design and publishing of a resource web portal. Implement a CRM application that tracks entrepreneurs' progress as they participate in different GEP/ECP activities.
- Procure IT equipment for 8 school employment units ("Laptop, Multifunction Printer and Digital Camera" for each school) and one server to host the school based employment system.
- Renew the ERRADA Data Center Leased Line internet subscription, the ERRADA Agriculture GMU ADSL internet subscription as well as the ERRADA Housing GMU ADSL internet subscription. Additional support to ERRADA to start the procurement process of a Linux Support Contract and the procurement process of a Veritas Backup Support Contract will be initiated. All the ERRADA activities have been given in-principle approval by USAID.
- Provide Technical assistance to EFSA to procure/develop a Training Management System
- Potential IT procurement for the Port Said Tamyouz Center (CRM Server, Desktops, Scanners, Printers, Phone switch and Wireless routers).
- ECP provided IT/technical assistance to the Consumer Protection Agency (CPA) to redesign its online website. This activity, by USAID instruction, is currently on hold.

E.2. Grants to U.S. and Non-U.S. NGO

In April 2011, the grant for ENCC was finalized and signed. It has since been pending approval by the MOSS. Due to the fluid political situation in Egypt the MOSS approval is taking longer than normal. This will require that a new proposal be submitted and the budget revised.

Due to the ongoing dialogue between the GoE and USG regarding grant funding approvals, the RFA for the Consumer Protection Agency was cancelled per USAID direction.

E.3 M&E and Performance Monitoring Plan

E.3.1 Activities and Accomplishments

- Performance Monitoring Plan (PMP): Prepared and updated the plan's indicators, in response developments associated with the January 25th revolution. Aspects of gender- and poverty-related progress, as well as the requirements of future impact analysis have been emphasized.
- USAID's Integrated Plan: Reviewed targets and developed indicators sheets of USAID's Integrated PMP, including: AO16, Operational Plan, and the Annual Program Statement (APS).
- Cash Transfer Program: Prepared verification reports for USAID's Cash Transfer Program.
- Ministry of Finance (Mof): Assisted MoF in preparation of a multi-donor job creation initiative in the aftermath of the 25 January revolution.
- Egypt Food Surveys: Upon request from USAID, conducted a regular price survey of selected food items in Greater Cairo. Results are used as proxy for the consumer price index in Egypt.
- Financial Reports: ECP conducted periodic documentation of economic and financial developments in Egypt, as reported by world news agencies and other international sources of data and information.

E.3.2 Website and Communications

Activities and Accomplishments

- The second EGLink series initiated and list of stories created and sent to USAID for approval.

- Updated the USAID Economic Growth Web Server “www.usaideconomic.org.eg” using internal resources. This activity is a work in progress.

Next Year

- Providing more updates to USAID Economic Growth website, starting with program results and success stories for each ECP component, and partner programs, publications, services offered by partners, training opportunities, and an events calendar. Enrich the website by adding new relevant pictures that capture the Egyptian culture and the economic growth in Egypt.
- Compiling and disseminating a monthly newsletter on ECP activities.
- Printing of the ECP brochure, with additional fliers for each ECP component
- Continue EGLink issues on a regular basis,
- Continue monitoring and summarizing news for the news watch.

E.4 Public Awareness

Public Awareness under ECP’s has emerged as a critical area for ECP support and action, particularly in the aftermath of the 25 January revolution to support and strengthen counterpart messages. This role is even more prominent now post 25 January 25.

The ECP Public Awareness (PA) and Communication focus is to raise awareness among primary and secondary target audiences about Egypt’s Competitiveness Program and to provide technical support to the four ECP components and their counterparts. Public Awareness (PA) and communication post revolution has become even more important as a tool that will help ECP and USAID raise awareness about its achievements and the activities we are working on with ECP counterparts. For example, the cross cutting PA subcomponent has worked closely with the media and the public on activities to convey the key communication message and objectives of the program. ECP Year I was able to facilitate a significant number of TV interviews, radio interviews, press and online media coverage, which definitely resulted in increasing the awareness about ECP activities, especially GEP/ECP and vocational education. Several highlights include the preparation of the ECP gender communication strategy, the Property Tax communication strategy, and the Tamayouz communication strategy. Live communications events included the NexGen Bootcamp and Startup Weekends Entrepreneurship, kick-off for Tamayouz Center in Port Said, the opening of the first two school-based-training units for the vocational sector. All these events were supported by effective communication tools and materials, documentary films, and evaluation processes to measure the effectiveness of our activities.

Activities and Accomplishments

- Gender was successfully targeted through messages identified by the Gender Communication strategy. Females were reached through targeted communication messages and vehicles, based on the demographic assessment for current and potential entrepreneurs.
- Targeted messages aimed to increase the number of business startups, who were encouraged to register their business, based on the awareness flyer “How to Register Your Business”
- Targeted messages aimed to increase the number of Tamayouz offices/transactions, through awareness and communication activities
- Targeted public awareness activities to increase awareness among entrepreneurs and the public at-large through wide media coverage
- Successful media coverage in a variety of media vehicles: TV interviews (27), radio interviews (17), Press releases (39), online (45), videos (6).
- Communication materials: ECP fact sheet, GEP/ECP fact sheet, 3 flyers (per kind of business) on “How to register your Business”, Economic and Financial report, food prices survey reports.
- Created a US-friendly Media Group who provide wide media coverage for all our events and news

F. Program Management

Staffing and Operations

Nancy Parks, Component C Leader, joined the ECP team under a short-term in October 2011 under a 90-day contract.

Steve Orestis, Component A Leader resigned from his position effective October 6, 2011. His resignation was for both personal and professional reasons related to the fact that most of the activities under his component, after the Revolution, was put on hold and that the new work with the MoF related to tax policy and administrative reform, decentralization, and public finance management do not fall within his technical skill area. Chemonics and ECP are currently recruiting for a replacement.

On the Egyptian professional side, Dr. Mona El-Garf joined ECP as the “Provincial Competitiveness Advisor” position under Component B. Also, ECP identified and requested approval for the vacant position of SEE Team Member. We expect this position to be filled in November 2011.

Project Operations

Chemonics requested Contracting Officer consent to enter into a Indefinite Quantity Subcontract (IQS) for Firm Fixed Price and Firm Fixed Price Award Fee sub task orders to be issued to 16 subcontractors, for professional consultancy services in support of the entrepreneurial development, small-medium enterprise (SME) development and access to finance, and vocational training components under the Egypt Competitiveness Project (ECP).

The IQS mechanism is a tool that is meant to be deployed to enhance competitiveness. ECP emphasis on competitiveness is based on the understanding that a nation’s ability to produce a high and rising standard of living for its citizens depends on how productively the nation’s labor

force and capital are employed. Accordingly, to enhance Egypt’s competitiveness the ECP/IQS is focused on the three key drivers of productivity noted above.

In addition to enhancing these key productivity drivers, the ECP program is premised on the fact that the vast majority of Egyptian entrepreneurs and businesses operate in local markets in defined geographic spaces at the Governorate, Markaz and village levels. For this reason the services requested in the Indefinite Quantity Subcontract (IQS) will be delivered at the Governorate level with three Governorates (Alexandria, Port Said and Sharkia), serving as the initial pilot Governorates. The program will expand to additional governorates based on the progress achieved in the initial governorates. ECP expects to sign the IQS subcontracts in the first quarter of Year-2

G. Financial Management

The table below indicates the total actual amounts for ECP invoiced between September 2010 and September 2011, in addition to a monthly breakdown for the first quarter of FY 2012. The table also includes projections for October through December 2011. Please note that these figures exclude possible cost estimates associated with the pending approval for the ECP/IQS (\$200,000) with its three productivity drivers; vocational training, entrepreneurship, and SME access to finance. In addition to initial expenditures related to the IQS implementation, Chemonics is prepared, with USAID approval, to move forward on a priority basis with the prefeasibility study for the Suez Economic Corridor Project (\$500,000) and the start-up of the Governorate Competitiveness Index (\$500,000). We anticipate that activities under these areas will begin during Q-1 FY 2012 (October-December 2011) and continue through the life of the project with incremental funding drawing from the existing approved ECP contact.

Amount Invoiced Project to Date (September 2010 – September 2011)			
Month	Work Ordered	Days	Other Direct Costs
Sept. 2010 - Sept. 2011	\$3,498,664.11		\$2,118,562.65
Projections for Quarter Ending in December 2011			
October 2011	\$342,184		\$319,810
November 2011	\$349,969		\$436,999
December 2011	\$351,309		\$446,910
Total – Quarter 1 FY 2012	\$1,043,462		\$1,203,719
% of Obligated Funds			53%

Annex 1: Performance Management Indicators

Component A : Conducive Regulatory Reform

A1. Support for Regulatory Reform

Performance Indicator		Baseline	Targeted				Actual
			2011	2012	2013	Total	2011
A1.1	Number of new ministries operating in ERRADA	11	1	2	2	16	0
A1.2	Number of new governorates operating in ERRADA	3	1	2	2	8	0
A1.3.a	Number of regulations inventoried (in ministries with ERRADA GMUs)	36,811 (cumulative)	850	850	850	39,361	877
A1.3.b	Number of regulations eliminated or merged as a result of ERRADA recommendations (in ministries with ERRADA GMUs)	1944 (cumulative)	76	60	70	2,150	621
A1.4	Number of regulatory Impact Assessments (RIA) completed for proposed laws	0	1	2	7	10	1

A2. Support for commercial laws, Fiscal Reforms, and incentive Policies

Performance Indicator		Baseline	Targeted				Actual
			2011	2012	2013	Total	2011
A2.1	Number of core commercial laws and taxation laws implemented, drafted or amended with USG assistance	0	1	2	3	6	0
A2.2	Number of drafted policy reforms/regulations/administrative procedures for legislation/decrees as a result of USG assistance	0	3	6	8	17	0
A2.3	Number of Egyptian Competition Authority (ECA) officials trained	0	4	16	20	40	1
A2.4	Number of consumer protection NGOs increasing public awareness levels	1	0	0	4	5	0

A2.5	Monetized impact of finalized laws and regulations support by USG assistance	0	0	5	15	20	0
A2.6	Quality of the enabling environment for private sector	99	94	92	90	n/a	108
A2.7	Percentage of resolved cases by Egyptian Competition Authority (ECA) as percentage of received cases	60%	60%	60%	60%	n/a	60%
A2.8	Number of governorates receiving USG assistance with regulatory/administrative simplification	2	4	2	2	10	0

Component B: Streamlined Business Processes

B1. Unified Business Registry (UBR)

Performance Indicator		Baseline	Targeted				Actual
			2011	2012	2013	Total	2011
B1.1	Number of automated registries for establishing the UBR	0	0	10	11	21	1
B1.2	Number of regulatory actions to streamline the business process	0	0	2	2	4	0

B2. Ease of Doing Business

Performance Indicator		Baseline	Targeted				Actual
			2011	2012	2013	Total	2011
B.2.1	Number of Al-Tamayoz centers established through ECP (by governorate)	0	0	2	2	4	0
B.2.2	Number of customers served by Al-Tamayoz center (by governorate)	0	0	50,000	100,000	150,000	0
B.2.3	Number of businesses established as a result of Al-Tamayoz centers (by governorate)	0	0	12,500	12,500	25,000	0
B.2.4	Number of licenses issued by SSBC or licensing unit services (by governorate)	2243	2,890	20,000	40,000	65,133	2014
B.2.5	Days required to issue a license in selected governorates other than Alexandria	0	40	20	8	n/a	n/a

B3. ENCC Support

Performance Indicator		Baseline	Targeted				Actual
			2011	2012	2013	Total	2011
B3.1	Number of recommendations of the national strategy implemented	0	0	1	2	3	n/a
B3.2	Number of policy advocacy events	0	0	4	12	16	0

Component C: Improved Labor Skills and Productivity

C1. Skills to Market Through Vocational and Technical Training

Performance Indicator		Baseline	Targeted				Actual
			2011	2012	2013	Total	2011
C1.1	Number of school-based training units (SBTU) activated	0	10	5	0	15	11
C1.2	Number of teachers trained in technical secondary school-based training units (SBTU)	0	44	550	750	1,344	48
C1.3	Number of school-based employment units (SBEU) established	0	7	8	0	15	8
C1.4	Number of participants with improved labor and productivity skills (students and industry tutors)	0	2,600	3,750	3,700	10,050	3,778
C1.5	Number of trainees employed	0	0	2,000	1,000	3,000	0
C1.6	Number of media awareness programs that addressed vocational training, skills and productivity as a result of ECP assistance	0	0	3	4	9	2

C2. Developing Entrepreneurship Skills

C2.1 Supporting Entrepreneurship in Egypt (SEE)

Performance Indicator		Baseline	Targeted				Actual
			2011	2012	2013	Total	2011
C2.1.1	Number of individuals receiving USAID-ECP assistance to improve their entrepreneurship management practices	0	200	350	450	1,000	200

C.2.1.2	Number of SMEs that successfully accessed venture capital and angel investing as a result of USG assistance	0	0	3	9	12	0
C.2.1.3	Number of times USAID/ECP entrepreneurship events and entrepreneurs supported by USAID/ECP appeared in the media	0	100	200	150	450	101
C.2.1.4	Number of start-ups created as a result of ECP assistance to promote entrepreneurship	0	6	50	44	100	6

C.2.2 Developing Entrepreneurship Skills

Performance Indicator		Baseline	Targeted				Actual
			2011	2012	2013	Total	2011
C.2.2.1	Number of organizations that supported entrepreneurship activities with CSR funding based on USAID/ECP facilitation	0	5	13	13	31	5
C.2.2.2	Number of university students participating in ECP entrepreneurship program activities	0	0	4,000	1,750	5,750	0

Component D: Strengthened Financial Sector

D1 Non. Banking Supervision

Performance Indicator		Baseline	Targeted				Actual
			2011	2012	2013	Total	2011
D1.1	Number of Financial sector supervisors trained with ECP/USG assistance (persons /program)	0	0	80	80	160	0
D1.2	Number of Financial sector professionals trained using ECP/USG assistance (persons/program)	0	0	120	120	240	0
D1.3	EFSA Training institute is operational (Y/N)	0	Y	Y	Y	Y	Y
D1.4	EFSA Training institute is accredited (% achieved)	0	0%	50%	100%	100%	0%
D1.5	Number of financial sector training and/or certification programs established or supported for EFSA training institute (Program)	0	0	3	4	7	0
D1.6	Arbitration center opened (Y/N)	0	0	Y	Y	Y	0
D1.7	Number of Arbitrators Trained in the NBF sector (persons)	0	0	5	5	10	0

D2 Pension Reform

Performance Indicator		Baseline	Targeted				Actual
			2011	2012	2013	Total	2011
D2.1	Pension executive regulations passed (Y/N)	0	N	Y	Y	Y	0
D2.2	Number of Pension professionals (private sector and government) trained (persons)	0	0	40	50	90	0

D3 SME Access to Finance

Performance Indicator		Baseline	Targeted				Actual
			2011	2012	2013	Total	2011
D3.1	Number of SMEs receiving USG assistance to access bank loans or private equity (owners/manager of small enterprise)	0	0	420	420	840	0
D3.2	Number of SMEs that successfully access bank loans or private equity as a result of USG assistance (enterprise)	0	0	210	210	420	0
D3.3	Value of SMEs funding as result of training and technical support (Million EGP)	0	0	25	25	50	0
D3.4	GAFT's SMEs private equity fund is operational (Y/N)	0	N	Y	Y	Y	0

Annex 2: Reports and Deliverables Submitted to USAID

ECP Program Reports

- Annual Work Plan
- Sept 2010-Dec 2010 Quarterly Report
- January-March 2011 Quarterly Report
- April - June 2011 Quarterly Report
- June-September Work Plan
- First Annual Report (September 2010 – September 2011)

Conducive Regulatory Environment (Component A)

A1. Support for Regulatory Reform

- Draft Property Tax law (May 25, 2011)
- Ken Reager power Point from Public Finance Management workshop (May 31, 2011)
- Draft Property Tax Communications Plan (June 12, 2011)
- Draft SME Decree (June 15, 2011)
- Roy Kelly reports and PowerPoint presentations (June 24, 2011)
- Challenges and Opportunities for Property Taxation in Egypt Report by Dr. Roy Kelly

A2. Support for Commercial Laws, Fiscal Reforms and Incentive Policies

- Land Allocation Final Report (December 23, 2010)√
- Technical Study on Allocation of State Lands for Agriculture and Land reclamation Report by Dr. Sami El Zeini
- Management and Privatization of State-owned agriculture land Report by Katja Dells.

Streamlined Business Processes (Component B)

B1. Unified Business Registry:

- Survey on remaining needs for Unified Business Registry (Nov 10, 2010)
- ECP Training Work Plan for ITDA: Year I (August 9, 2011)
- An Analytical Review of the CR Law Accompanied with a Proposed Draft (August 21,2011)
Commercial Registry Customer Service Training Report (July 2, 7, 17 and 27)
- Commercial Registry Procedures Manual (September 2011)

B2. Ease of Doing Business:

- SSBC Status Report: Draft (January 12, 2011)
- Tamayouz Center Status Report January: Draft (January 27, 2011)
- Sharkia Tamayouz Center Assessment Report (July 14, 2011)
- Port Said, Sharkia and Alexandria Work Plan (June 2011)
- Port Said, Sharkia and Alexandria Work Plan Updated (July 2011)

B3. Support for National Competitiveness:

- None

Improved Labor Skills and Productivity (Component C)

C1. Skills to Market through Vocational Training

- Training of Teachers' (TOT) Evaluations (July 2011)

C2. Entrepreneurship Training

- Entrepreneurship and the Egyptian Media 2011, consultancy report (July 2011)

Component D: Strengthened Financial Sector

D1: Non-Banking Supervision

- ECP Technical report No. 4 to EFSA on comparison study of alternative dispute resolution mechanisms (January 2011)
- Comments on EFSA microfinance rules (February 2011)
- Comments and revisions to EFSA Sukuk regulations (August 2011)
- Budgets to EIFS (December 2010)
- Comments on training in accounting and auditing to EFSA new hires (January 2011)

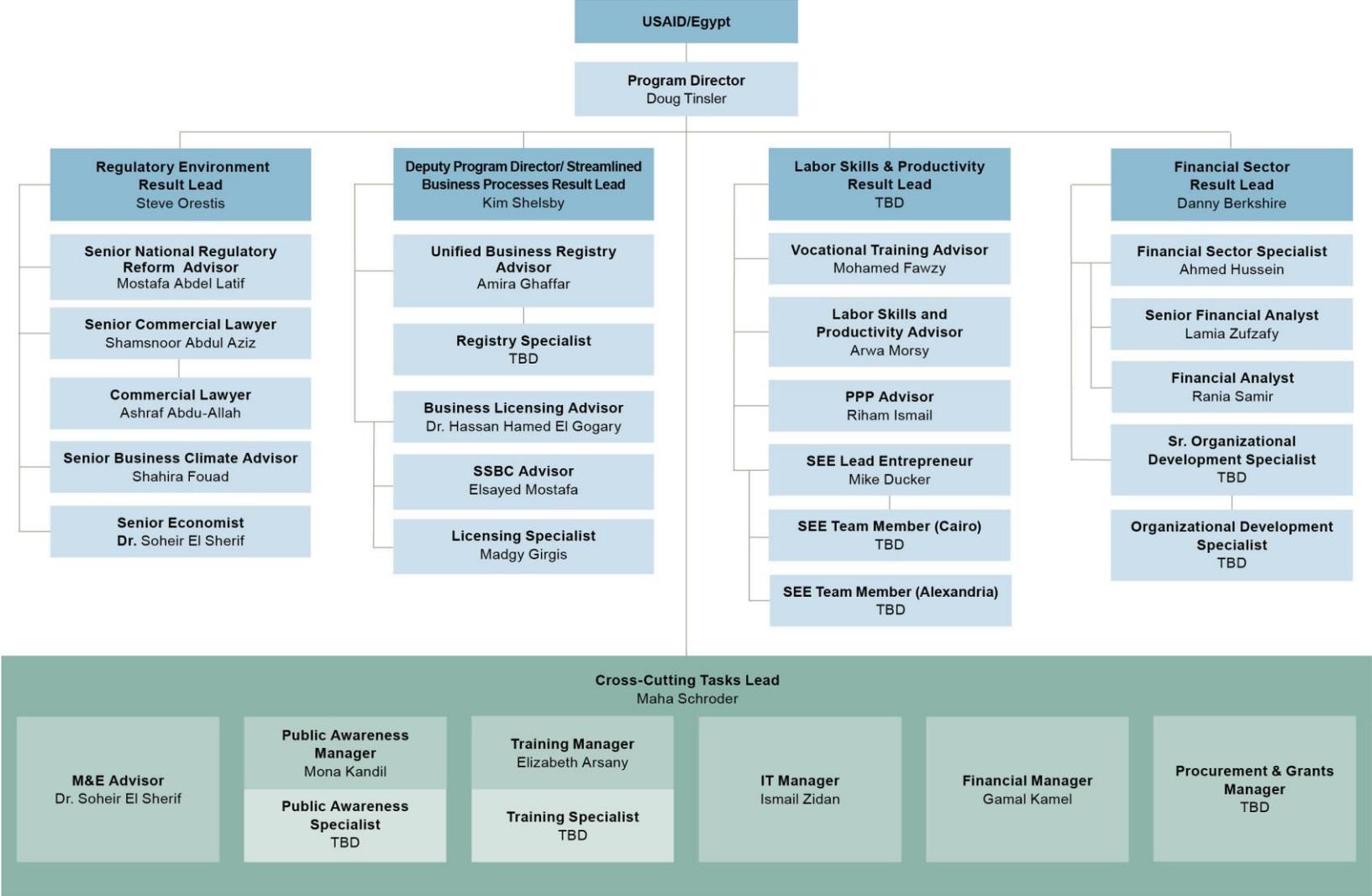
D2: Pension Reform

- None

D3: SME Access to Finance

- Research to GAFI on SMEs investment funds (January 2011)
- Comments to EIoD on outline and materials of training program in corporate governance to small businesses (March 2011)
- Draft Prime Minister Decree to MOF on SMEs Ministerial Committee (June 2011)
- ECP Technical Report No. 5 to GAFI on Assessment and recommendations on structuring GAFI's SMEs Investment fund (July 2011)
- Presentation to GAFI on legal aspects and international practices relevant to Bedaya Center for SMEs, Entrepreneurship and Innovation (July 2011)
- Research to GAFI on SMEs accounting standards (September 2011)

Annex 3:
Organizational Chart



Annex 4: Public Awareness Activities

Public Awareness and Communication Achievements Year-1			
Activities	Communication and Public Awareness Tools	Participants	Results
Component A			
Developed a questionnaire for the baseline study, with the aim to measure the perception and attitude towards the current ERRADA activities			
Developed a communication and outreach strategy for passing the property tax law, after been modified			
Developed a plan for PA event to create awareness about the e-registry, a new electronic website developed by ERRADA including all legislations			
Component B			
Flyers x 3	Developed 3 Flyers on "How to Register Your Business"		Created awareness through dissemination to entrepreneurs and business startups
Tamayouz: Developed the Communication and PA Strategy for Port Said, Sharkeya and Cairo			Identified audience, key messages, tools and vehicles
Kick-off event for Tamayouz Port Said	1- Factsheet about Tamayouz and its objectives, and the expected results in streamlining the business processes in chamber offices. 2- Tamayouz signs and Banners 3- Evaluation sheets filled by participants	Chamber employees, and services offices employees - number: 25	1-Created awareness 2- Mobilized stakeholders efforts, through making them participate in discussions 3 -Measured the effectiveness of the event
Component C			
Skills to Market			
Train-of-Trainers of vocational schools	Radio interviews: 9, press releases: 22, TV interviews: 5, Media conferences: 4 + Evaluation sheets filled in by participants	School teachers of 4 governorates, number: 45	1- Created awareness among vocational schools, 3- created positive attitude towards the USAID activities, 4 - Evaluation showed that Participants requested more training
Kick-off for the pilot 2 school-based units for training the teachers of the vocational sector	Branded Folders including presentation about ECP components + film shooting for the opening	School teachers in BeniSuef, High GOE officials, and Ministry of Education	1- encouraged replication in other governorates,
Entrepreneurship			
Media Training Event	Branded Folders, presentation on ECP, about entrepreneurship, success stories of entrepreneurs, Bo Burlingham presentation to media on how to cover stories	Media representatives of TV, online, press, magazine, radio, entrepreneurs. Numbers: 28	1- Create awareness among media about entrepreneurship - being a new concept in Egypt, 2- trained media on best coverage, 3- mobilized media efforts to maximize media coverage of events.
Innovation and Entrepreneurship Day - Alexandria	Media coverage, including TV interview with Mr Jim Bevers, Dr Hend Dean of Alex Faculty and entrepreneurs	Students, entrepreneurs, media, High officials of University	1- created awareness in new governorate (Alex) among students about entrepreneurship.
Startup Weekend Cairo	Developed and disseminated flyers of "How to register your Business"	Faculty students	businesses
International Support for entrepreneurs - Bo Burlingham	Facilitated interviews with entrepreneurs and Bo, to convey the international experience	media and entrepreneurs	identified challenges, recommendations, encouraged participation
Nex-Gen Bootcamp	Media coverage included TV interviews with Mathiew Teuller the US Charge' D'Affairs, the Danish embassy representatives, TIEC, Mike Ducker, International Mentors and Egyptian entrepreneurs. Communication materials included Branded Folders, Factsheet about GEP/ECP,	Students, entrepreneurs, media, US Embassy Charge' D'Affairs, Danish embassy representative, international media, international mentors	1- Increased awareness about entrepreneurship through mass media coverage, 2- encouraged participation.
Startup Weekend Alex	Media coverage in TV, press and online. Disseminated of branded folders, ECP presentation, about GEP/ECP, flyers of "How to register your Business"	Faculty students	1- created awareness and encouraged participation in new businesses
The Alexandria Businesswomen Association event	Media coverage in TV, press and online. Disseminated of GEP/ECP/USAID branded folders, Fact sheet on GEP/ECP, Fact sheet on ECP, Factsheet on upcoming GEP events in Egypt, Evaluation sheets, flyers on "How to register your Business"	Businesswomen in Alexandria	1- Increased awareness about entrepreneurship activities and ways to support startups, 2- encouraged starting up of new women business
Gender Communication Strategy	Supported the development of the strategy, through developing a demographic questionnaire for female entrepreneurs, facilitated focus groups, supported the analysis of the findings.	female entrepreneurs, business associations, media representatives	1- identified challenges that faces women entrepreneurs, 2- increased awareness about ways of supporting women entrepreneurs, identified key messages

Annex 5: Training Activities

Components	Number of Events	Total Participants	SUSD Budget	FT 800 (EGP)
Component A	15	629	\$ 135,784.34	EGP 44,896.00
Component B	12	230	\$ 71,882.24	EGP -
Component C	25	2055	\$ 207,093.72	EGP -
Component D	3	5	\$ 73,778.84	EGP 27,520.00
Total	55	2919	\$488,539.14	EGP 72,416.00
Total	110	5838	\$977,078.28	EGP 144,832.00

Legends:

Program Type:

U.S.-LT: U.S.-based long-term training

U.S.-ST: U.S.-based short-term training

3-LT: Third-Country-based long-term training

3-ST: Third-Country-based short-term training

ICT-LT: In-Country-based long-term training

ICT-ST: In-Country-based short-term training

Year I: Training Plan- Component A:

ID	Partner Institutions	Number of Events	Number of Days	Number of Participants	Total Participants	Program / Participant Name	Interpreter (Language of Instruction)	Program Type*	Training Type*	Procurement Type*	Location	SUSD Budget	FT 800 (EGP)	Start Date	End Date	Firm/ Individual
Component A																
1	ERRADA	2	1	110	110	Governorates meetings and GMU managers meetings	Arabic	ICT-ST	Wshop	T	Cairo	\$ 421.00	EGP 0.00			
2	ERRADA	1	2	106	106	Legislative Reform Cost & Impact	Arabic	ICT-ST	Wshop	T	Alex.	\$ 46,975.78	EGP 0.00	20-Jan-11	22-Jan-11	
3	NCJS	2	4	60	60	Enforcement of Judicial Legislation	Arabic	ICT-ST	Wshop	T	Cairo	\$ 10,775.72	EGP 0.00	11-May-11	16-May-11	
4	NCJS	2	4	142	142	Implementation of Economic Legislation	Arabic	ICT-ST	Wshop	T	Cairo	\$ 26,489.04	EGP 0.00	22-May-11	26-May-11	
5	NCJS	2	4	124	124	Banks Training	Arabic	ICT-ST	Wshop	T	Cairo	\$ 12,546.00	EGP 0.00	12-Jun-11	16-Jun-11	
6	ECA	1	64	1	1	FTC Fellowship	English	US-ST	Intern	T	US	\$ 16,990.80	EGP 10,614.00			US- Federal Trade Commission
7	CPA	1	4	2	2	Hong Kong- Consumer protection day	English	3-ST	C	OTS	Hong Kong	\$ 7,012.00	EGP 18,876.00			
8	MoF	1	4	5	5	Bankruptcy Law Working Group	Arabic	ICT-ST	Wshop	T	Ain Soukhna	\$ 1,555.00	EGP 0.00			
9	Various	1	4	49	49	METAC Workshop: Expenditure Control and Internal Audit in Government Financial Management	Arabic	ICT-ST	Wshop	T	Cairo	\$ 10,500.00	EGP 0.00			
10	MoF	1	5	1	1	Fiscal Policy- Duke University	English	US-ST	SC	OTS	US	\$ 1,160.00	EGP 15,406.00			
11	MoF	1	1	29	29	Financial Decentralization	Arabic	ICT-ST	Wshop	T	Cairo	\$ 1,359.00	EGP 0.00			
Total		15	97	629	629							\$ 135,784.34	EGP 44,896.00			

Legends:

Program Type:

U.S.-LT: U.S.-based long-term training
 U.S.-ST: U.S.-based short-term training
 3-LT: Third-Country-based long-term training
 3-ST: Third-Country-based short-term training
 ICT-LT: In-Country-based long-term training
 ICT-ST: In-Country-based short-term training

***Training Type**

C: Conference
 Intern: Internship
 Masters: Masters Degree
 PhD: Doctoral Degree
 OJT: On-the-Job Training
 OST: Observational Study Tour
 SC: Short Course
 Wshop: Workshop
 S: Seminar

***Procurement Type:**

OTS: Off-the-Shelf
 C: Customized
 T: Tailored

Priority

A: High
 B: Moderate
 C: Low

Year I: Training Plan- Component B

ID	Partner Institutions	Number of Events	Number of Days	Number of Participants	Total Participants	Program / Participant Name	Program Description	Interpreter (Language of Instruction)	Program Type*	Training Type*	Procurement Type*	Location	\$USD Budget	FT 800 (EGP)	Start Date	End Date	Firm/ Individual
Component B																	
1	Commercial Registry	4	3	16	64	Customer Service	Operating Juniper Networks Switches	Arabic	ICT-ST	SC	C	Various	\$ 32,048.57	EGP 0.00	15-Jun-11	21-Jul-11	Individual
2	Commercial Registry	4	4	18	72	Code of Ethics		Arabic	ICT-ST	SC	C	Various	\$ 36,300.67	EGP 0.00	7-Sep-11	1-Oct-11	Individual/ Firm
3	Commercial Registry	1	2	20	20	Sakhra Training		Arabic	ICT-ST	SC	C	Various	\$ 1,023.00	EGP 0.00			
4	PortSaid Chamber of Commerce	1	1	32	32	Tamayouz Kick Off		Arabic	ICT-ST	C	T	Port Said	\$ 420.00	EGP 0.00			
5	Various	1	1	20	20	Prospect for the Egyptian's Economy Post Revolution		Arabic	ICT-ST	Wshop	T	Alex	\$ 1,000.00	EGP 0.00			
6	ENCC	1	1	22	22	ENCC Retreat		Arabic	ICT-ST	Wshop	T	Cairo	\$ 1,090.00	EGP 0.00			
Total		12	12	128	230								\$ 71,882.24	EGP 0.00			

Year I- Training Plan- Component C:

ID	Partner Institutions	Number of Events	Number of Days	Number of Participants	Total Participants	Program / Participant Name	Interpreter (Language of Instruction)	Program Type*	Training Type*	Procurement Type*	Location
Component C											
1	TVET	4	1	26	104	Cadre Selection	Arabic	ICT-ST	Wshop	T	Governorates
2	Media	1	1	35	35	Media Training	Arabic	ICT-ST	Wshop	T	Cairo
3	TVET	6	5	26	156	TOT	Arabic	ICT-ST	SC	T	Governorates
4	Media	3	2	21	21	TOT Media Coverage	Arabic	ICT-ST	SC	T	Alex.
5		1	4	285	285	Start-up Weekend	English/Arabic	ICT-ST	Wshop	T	Alex
6		1	4	300	300	Start-up Weekend	English/Arabic	ICT-ST	Wshop	T	Cairo
7		4	4	82	82	Focus Groups	English	ICT-ST	Wshop	T	Alex
8	TVET	1	5	25	25	School Employment Unit Workshop	Arabic	ICT-ST	Wshop	T	Alex.
9		1	5	40	40	School Employment Unit	Arabic	ICT-ST	SC	T	Alex.
10		1	2	600	600	Alexandria University Innovation & Entrepreneurship Days	Arabic/English	ICT-ST	Wshop	T	Alex

Year I- Training Plan- Component D:

ID	Partner Institutions	Number of Events	Number of Days	Number of Participants	Total Participants	Program / Participant Name	Program Description	Interpreter (Language of Instruction)	Program Type*	Training Type*	Procurement Type*	Location	SUSD Budget	FT 800 (EGP)	Start Date	End Date
Component D																
1	MoF	1	7	1	1	Change Management		English	3-ST	SC	OTS	Turin, Italy	\$ 2,904.62	EGP 14,100.00		
2	MoF	1	15	3	3	Social Security Summer School		English	3-ST	SC	OTS	Turin, Italy	\$ 15,874.22	EGP 4,070.00		
3	MoF	1	1 year	1	1	Masters of Acturial Science		English	3-LT	Masters	OTS	UK	\$ 55,000.00	EGP 9,350.00		
Total		3	387	5	5								\$73,778.84	EGP 27,520.00		