

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

C
A = Add
C = Change
D = Delete

Amendment Number
2

DOCUMENT CODE
3

2. COUNTRY/ENTITY
EGYPT

3. PROJECT NUMBER
263-0061

4. BUREAU/OFFICE
NE

5. PROJECT TITLE (maximum 40 characters)
Development Planning Studies

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY
01 31 87

7. ESTIMATED DATE OF OBLIGATION
(Under "R." below, enter 1, 2, 3, or 4)

A. Initial FY 78 B. Quarter C. Final FY 87

8. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	3,800		3,800	22,800	11,000	22,800
(Grant)	(3,800)	()	(3,800)	()	(11,000)	(22,800)
(Loan)	()	()	()	()	()	()
Other U.S. U.S. owned L.E.		3,286	3,286		3,286	3,286
Host Country		400	400			
Other Donor(s)					6,265	6,865
TOTALS	3,800	3,686	7,486	22,800	21,151	32,951

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) SA	992	710		15,800		7,000		22,800	
(2)									
(4)									
TOTALS				15,800		7,000		22,800	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

950 960 970

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code
B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

Create a permanent institutional framework through which Egyptian applied research and training capabilities can be organized so as to strengthen the capacity of GOE ministries to carry out development program and project planning activities.

USAID/CAIRO
DEVELOPMENT
PROJECT

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
01 6 87 5 04 87 6 01 87

15. SOURCE/ORIGIN OF GOODS AND SERVICES

060 941 Local Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a page PP Amendment)

This amendment does not alter in any essential way the original project purpose. As a result of a recent evaluation, it provides a sharper focus on phase III activities as outlined in the project paper under Annex II (Strategic Operating Plan). It also provides for the remaining LOP funding and extends the LOP to 31 March 1987.

17. APPROVED BY

Signature
Director, USAID/Egypt

Date Signed
MM DD YY
01 23 87

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY

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I. Summary and Recommendations:

1. Grantee: The Government of the Arab Republic of Egypt (GOE)

2. Implementing Agency: Cairo University (CU)

3. Grant Amount: Adds U.S. \$7 million to bring life-of-project AID funding to \$22.8 million and L.E. 2.3 million.

4. Project Goal: Improve the composition and implementation of the Egyptian Development Program.

5. Project Purpose: Create a permanent institutional framework through which Egyptian applied research and training capabilities can be organized so as to strengthen the capacity of GOE Ministries to carry out development programs and project planning activities.

6. Purpose of the Project Paper Amendment: Drawing from prior experiences with the project and particularly from the findings of a recent evaluation, this amendment intends to provide a sharper focus on end-of-project conditions and establishes institutionalized Egyptian capacity as the primary end status of the project. It also provides for the remaining life-of-project funding toward achieving the project purpose and an orderly phase-out of the contractor's AID-funded services.

7. Project Description: In December of 1976 AID authorized the signing of a contract to establish a collaborative research effort with CU and various interested GOE Ministries to improve their capabilities first to identify and analyze critical Egyptian development problems and then to design and manage either remedial or new projects and activities. At the same time the feasibility of institutionalizing the processes within CU was examined. The success of the initial contract resulted in the present project which began in 1978 to continue the collaborative research process and establish a semi-autonomous institute at CU capable of carrying out independently in the

future ~~joint~~ research efforts involving CU with outside entities (public and private) ~~and~~ GOE Ministries. Project activities to be financed with funds made available ~~from~~ from the project amendment include: (1) phased down USAID funded ~~research~~ research activities commenced during the first two phases (to be off-set ~~by~~ an increase in non-USAID funded research sufficient to lead to fiscal ~~self~~-sufficiency) and (2) new and/or more refined institution building activities ~~related~~ related to enhancing the achievement of the project purpose and ~~recommended~~ in both the 1980 and 1982 project evaluations. The latter evaluation ~~report~~ report is attached as Annex I. The major activities to be financed under ~~the~~ final institutional phase include training (for CU and GOE Ministry staff); ~~research~~ research and technical assistance.

7. ~~Total~~ Total Project Cost: Total project cost in both foreign exchange and local ~~currency~~ currency is estimated at \$32,965,000. A.I.D. financing will total \$26.1 million ~~including~~ including \$3.8 million obligated in FY 1978, L.E. 2.3 million (equivalent to \$3.3 million) provided in FY 1978 from then available U.S. ~~excess~~ excess foreign currencies, \$12 million obligated in FY 1980, and \$7 million ~~scheduled~~ scheduled for FY 1984 obligation to complete life-of-project A.I.D. ~~financing~~¹. GCE Ministries and CU will provide the balance of project ~~financing~~ in local currency and goods and services. Their contribution to the life of the project will be Egyptian pounds equivalent to \$6.865 million (\$4.333 to date and \$2.33 million as their portion of the balance of the ~~project~~) Annex II provides the detailed proposal (including budget and ~~strategic~~ plan) from the GCE implementing agency (C.U.) for the remaining ~~three~~ years of project activities.

1 USAID/Cairo is in the process of developing procedures with the GOE concerning the use of the "special account" and the application of such funds to support local currency costs of USAID projects. When fiscal procedures are established, USAID will negotiate with the GOE the use of such funds to cover a part of the local costs of the project.

9. Grant Application: The GOE has requested USAID/Egypt to provide the additional funds to complete the eight year project. The letter requesting the assistance, and a letter from the MIIC approving requested funding are enclosed as ANNEX III.

10. Mission Views: The principal officer's certification of the project pursuant to Section 611(e) of the Foreign Assistance Act of 1961, as amended, is enclosed as ANNEX IV.

11. Source of U.S. Funds: Fiscal Year Economic Support Fund.

12. Statutory Requirements: All statutory requirements have been met. See ANNEX V.

13. Environmental: The project falls within the categorical exemption of 22 CFR part 216, Section 216.2 (c) (2) (i) and no environmental analysis is needed.

14. Conversion of U.S. dollars to local currency: The project will require conversion of up to five million U.S. dollars to Egyptian pounds. U.S.-owned local currency is not sufficient to meet the needs of the project. Your approval of the authorization amendment constitutes a determination that expenditure of U.S. dollars is required for the procurement of goods and services in Egypt.

15. Institutional Contract: A non-competitive amendment with MIIC will be required to complete the technical assistance provided by AID under the Project Identification Document and the determination of the Mission Non-competitive Review Board are provided in ANNEX VII.

II. Background and Progress to Date:

From the outset, this project has been developed on the hypothesis that if tripartite teams composed of representatives of a qualified contractor, Cairo University (acting through the Development Research and Technology Planning Center - DRTPC) and development-oriented ministries investigate, cooperatively, current development problems, desirable institutional changes would occur in Cairo University and the participating ministries which would improve their willingness and capacity to work together in the identification and solution of key Egyptian development problems. Work to date has been directed toward: improving the disciplinary capacity of Egyptian participants; creating cooperative relationships between Cairo University staff and staff of several key ministries in order to better identify design and implement practical solutions to development problems; and the development of a local institutional capacity to continue such activities on a financially sound basis beyond the terminal date of the project.

The June 1980 and the December 1982 evaluations attest the continuing validity of the hypothesis, as well as progress in the various activities of the DRTPC. A significant number of useful research results have been produced and findings are frequently implemented by GOE agencies. Despite considerable progress, both evaluations recommended a continuation of project activities because desired institutional status had not been fully achieved. The recommended final stage will, therefore, concentrate upon achieving the desired end state, with particular emphasis given to furthering relationships between Cairo University and GOE ministries, improving the marketing of research, enhancing the research and planning skills of university and ministerial staffs and developing sufficient independent (non AID) fiscal resources to assure fiscal viability.

III. Rationale for Project Amendment:

The project itself remains essentially as described in the original project paper. This project amendment provides the additional funding to carry out activities planned over the next three years. These activities will follow closely recommendations made in the recent evaluation for emphasis on the institution building and self-sufficiency objectives and the phase-out of the direct AID-funded contract.

Based upon the level and scope of work the budget for final phase proposed by Cairo University (with an appropriate U.S. contractor), the GOE's Ministry of Investment and International Cooperation (MIIC) accepted, and the USAID Project Committee has concurred, that a project amendment is needed to raise the Life-of-Project authorization for AID funding from \$19.1 million for both foreign exchange and Egyptian Pounds (LE) to \$26.1 million, of which \$15.8 million and \$2.3 (equivalent to LE 3.3 million) have been obligated previously. The remaining funding of \$7 million for FY 1984 obligation is required to cover the final three years of project activity. USAID/Cairo is in the process of developing procedures with the GOE concerning the use of the "special account" and the application of such funds to support a part of the local currency costs of the project up to a total of LE 2 million. When the negotiations for the use of "special account" funds have been finalized, appropriate adjustments will be made in the amount of dollars provided by USAID.

IV. Financial Plan:

1. The final budget for use of the AID-provided funds within the AID-funded contract and the GOE/CU contributions will be negotiated with a U.S. contractor based upon a joint contractor/GOE scope of work acceptable to AID. The full CU/US contractor proposal will form an annex to the contract. The budget given in ANNEX II is the contractor's first draft proposal. Final figures after revision for phase-out and negotiation of specific contractor activities and costs will fall within the \$7 million requested (as adjusted

under negotiations for use of the "special account" LE funds.) The budget for this contract will, however, include continued use for agreed on purposes of an estimated \$3 million of the \$12 million obligated in FY 1980. The jointly agreed contractor's scope of work must spell out the phased steps to be taken to ensure the successful completion of transfer of day-to-day responsibility and direction of the program from MIT program administrators to the DRTPC at CU. The financial plan must reflect this as well.

2. The approval of the new project funding level is requested at this time to permit contract negotiations in FY 1984. However, no obligations or contract finalizations will be undertaken prior to obtaining complete agreement on the final budget details.

V. Evaluation Plan:

1. Midway through the final contract (circa May-June 1985), an evaluation will be undertaken to determine the degree to which the Strategic Plan for the institutional phase is being met and to recommend such adjustments in scope and level of effort as may be necessary. The Strategic Plan (recommended in the Dec. 1982 evaluation), which is considered an integral part of the CU/U.S. contractor proposal and will become an annex to the contract, includes measurable benchmarks of the extent to which the end of project goals are being achieved.

2. There will also be an evaluation at the termination of the project to assess the final results of the project, the role of MIT and the degree to which the DRTPC within Cairo University is effective and self-supporting.

VI. Convenants

The Grant Agreement Amendment will contain the same convenants as were included in the August 17, 1978 Grant Agreement (adjusted accordingly where an earlier covenant has been met) as well as the following which will be added to relevant sections of the Grant Agreement:

- a. The Parties agree that Cairo University (DRIPC), AID and the contractor will assess the progress of the Project toward the purpose of institutionalization during the annual reviews and the mid-term evaluation, and will adjust the budget as necessary to assure the accomplishment of that goal within the life of the Project.
- b. The Grantee shall provide to AID the details of its contribution on an annual basis.
- c. The Parties agree that technical assistance funded by AID under the Grant shall be provided by the Massachusetts Institute of Technology ("MIT") under a direct contract with AID."

VII. Recommendation to authorize purchase of Egyptian pounds with U.S. Dollars:

Over the life of the Project activity contemplated under this amendment, U.S. dollar funds will be used to support local currency costs of the project.

Justification: Dollar funds used in conjunction with Egyptian pound costs represents an additional real resource to the Egyptian economy and provide means for speedy implementation and offer some incentive for the GCE to implement new initiatives that it might otherwise not be able to undertake. U.S.-owned local currency is fully programmed and is not available for use in this Project. In any event, the use of existing U.S.-owned local currency would add no additional real resources to the economy. Also, given the need of the GCE to restrict the growth in money supply to correspond to

the real growth in real resource in the economy, the inflationary impact of using U.S.-owned local currency would have to be offset by reduced GOE disbursements on other programs. Maintaining the fiscal balance is also required under the terms of the current International Monetary Fund (IMF) Standby Agreement with Egypt which the U.S. and other donors have strongly supported.

VIII. Recommendations

The USAID/Cairo CU/NIT Project Committee recommends that an authorization amendment be approved which will bring the life-of-project funding to \$26.1 million (\$22.8 million and LE 2.3 million with a dollar value of 3.3 million) to meet terms and conditions set forth in the authorization amendment which is attached as ANNEX VI.

Clearance:

OD/HRDC/ET: Adolph Y. Wilburn:mg aw
HRDC/ET: William Charleson WC
AD/FM: Terrence McMahon TM
LEG: Belinda Barrington LB
AD/EPPE: Norman Sweet NS
AD/HRDC: Howard Lusk HL

Mission Approval Officer

Director: M. P. W. Stone

Approved: M. P. W. Stone
Date: 1-22-84

ANNEX I

Project Evaluation December 1982

USAID/CAIRO
DEVELOPMENT
INFORMATION
CENTER

DEVELOPMENT PLANNING STUDIES

-10- 263-1061 1/1/C

EVALUATION REPORT prepared by the reporting unit on the AID/W project for the Fiscal Year. See No. 10, along with No. 1 each FY. 83-4

REGULAR EVALUATION SPECIAL EVALUATION

5. KEY PROJECT IMPLEMENTATION DATES

A. First PRO-AG or Equivalent FY 78
 B. Final Obligation Expected FY _____
 C. Final Input Delivery FY _____

6. ESTIMATED PROJECT FUNDING

A. Total \$ _____
 B. U.S. \$ 15.8

7. PERIOD COVERED BY EVALUATION

From (month/yr.) 9/80
 To (month/yr.) 2/83
 Date of Evaluation Review 3/21/83

8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIO, which will present detailed request.)

B. NAME OF OFFICER RESPONSIBLE FOR ACTION

C. DATE ACTION TO BE COMPLETED

See Attachment

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS

- | | | |
|--|--|--|
| <input type="checkbox"/> Project Paper | <input type="checkbox"/> Implementation Plan e.g., CPI Network | <input type="checkbox"/> Other (Specify) |
| <input type="checkbox"/> Financial Plan | <input type="checkbox"/> PIO/T | <u>Proposal for Prog. Amend</u> |
| <input type="checkbox"/> Logical Framework | <input type="checkbox"/> PIO/C | <input type="checkbox"/> Other (Specify) |
| <input type="checkbox"/> Project Agreement | <input type="checkbox"/> PIO/P | _____ |

10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT

- A. Continue Project Without Change
 B. Change Project Design and/or Change Implementation Plan
 C. Discontinue Project

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)

Jon W. Stewart, HRDC/ET Project Officer
 A. Wilburn, HRDC/ET
 H. Lusk, AD/HRDC
 N. Sweet, AD/DPPE
 O. Cylke, DD

12. Mission/AID/W Office Director Approval

Signature [Signature]
 Typed Name Michael Stone
 Date 3/28

A. List decisions and/or unresolved issues; cite those items needing further study.

Name of
Officer
Responsible
for action

Date Action
to be
completed

Overall Recommendation 1: Should USAID/C entertain a proposal from CU/MIT for the extension of the Project and for additional funds, the proposal, and any scopes of work derived from it, must clearly specify how the project will deal with the recommendations given here-after (in Sections IV and V of the Evaluation).

CU/MIT

Recommendation 2. A clear and concise plan must be developed as part of the operational plan to deal with the problem of fiscal viability. This plan must, at minimum, deal with the following:

CU/MIT

* N.A., but
to be considered
as CP to any PROAC
amendment

- i. The size of the core facility and its relation to fixed and variable costs; i.e., to what extent can the core be reduced without prejudicing research and service quality?
- ii. The relationship of indirect costs to total costs and the possibility of reducing over time the indirect costs levied by CU so that an increasing portion of such costs are absorbed by CU (as they often appear to be in other research centers at CU).
- iii. The relationship of existing research selection criteria to income. At the present time, DRTPC does not have research contracts with housing and construction, and research in support of private sector initiatives is fledgling at best. An income policy which essentially relies on generating a large and continuing amount of research for a few select clients (already on-board) should be compared to a policy which would cast the client/research net more broadly. In looking at this problem, the DRTPC should carefully consider what must be done to encourage potential clients to get involved with the DRTPC members. Should CU and particularly MIT become brokers (i.e., hiring competent staff from outside their respective faculties) when it is demonstrated that the nature of client demand can only be met by doing so?

Recommendation 3. The DRTPC's overhead rate or rates must be carefully determined:

CU/MIT

There is every reason to believe that the 109% rate on salaries currently paid to CU by the Project may be too high and a 30% rate on total costs too low, or they may be equal. The point is that neither have been empirically derived. Certainly U.S. consulting firms and universities charge considerably more than 30%. While the evaluation team understands that the setting of empirically derived overhead rates is difficult, it must be done if the DRTPC is to have any justifiable grounds for its overhead rates. This issue should be addressed immediately and USAID should not entertain any proposals for extension that do not systematically spell out how parties to the Project intend to deal with the problem, and how the problem relates to other cost/income variables.

Recommendation 4. Because the fiscal viability of the DRTPC is critical to its survival, long range (e.g., three year plan) should provide for specific interim (e.g., one year) measures for assessing status (e.g., fiscal, client, administrative). These annual reviews should be in-house and should include staff from USAID/C, DRTPC and MIT.

CU/MIT

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Recommendation 5. CU/MIT should prepare program-selection criteria for USAID-funded activities reflecting market/client consideration.

CU/MIT

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The DRTPC has been successful in obtaining grants in several sectors that have centralized research offices, and it appears that the market in these sectors will continue to grow. There will be no shortage of "good" projects in the sectors, but the Project itself should not be the sole basis on which decisions are made to involve AID-funded research and training activities, particularly in the light of the DRTPC's funding problem. Existing CU/MIT projects in these sectors should be allowed to terminate. (This recommendation does not, of course, refer to DRTPC research arranged independently of MIT). New CU/MIT activities should be limited to those sectors where the least progress has been made in institutionalizing the demand for DRTPC services.

6 mo. after any PROAG amendment, with clear, concise plan for doing so in any amendments

Recommendation 6. DRTPC should prepare a specific marketing and institutional development strategy directed to the high priority sectors. It may be especially important for DRTPC to build on the prestige MIT brings to the Project in working directly with Ministries and end-users on research and training activities and to help effect structural changes that will help encourage a self-sustaining demand for DRTPC research services. Furthermore, it is recommended that closer coordination and targeting be considered for existing activities, including the "new activities". These might include targeting a "critical mass" of internships, short-term research projects, fellowships and research seed-funds on particularly promising individual sub-sectors or firms. As will be noted later, this marketing strategy would also benefit from MIT involvement with the firm/sub-sector in jointly preparing scopes of work, assessing progress and results, and assisting in follow-on research and marketing activities. This strategy may occasion a different mix of CU/MIT resources, a revised level of effort and may also impact the PACB.

CU/MIT

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Recommendation 7. DRTPC should conduct a survey of potential faculty resources available at CU to DRTPC in targeted sectors. This survey should also explore what is needed to obtain the kind of faculty involvement and performance consistent with the quality standards established by the DRTPC and client needs.

CU/MIT

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Recommendation 8. The DRTPC should prepare a brochure describing for the market and for the faculty resources, services, and contracting procedures of the Center.

CU/MIT

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Recommendation 9. To facilitate and to help plan for the long-term institutionalization of the DRTPC, DRTPC should investigate the organization, funding, University support, and activities of other organized research and service centers within the University. In addition to the items mentioned above, this information and analyses should consider the following topics:

CU/MIT

**

- i Size of Center staff, number and organization of Center functions, and charges for Center services.
- ii Management responsibilities and performance.
- iii CU contribution to Center overhead.
- iv. Extra compensation for faculty

Recommendation 10. HRDC, the division responsible for S&T, productivity, technology-transfer, and university related projects within USAID/Cairo, should develop as soon as possible: (1) a strategy and mechanism to effect mutually supportive coordination among projects in these relevant sectors, and (2) a mechanism to encourage different Missions offices to draw on the resources of the DRTPC for relevant research, training, and assignments.

USAID/C
HRDC

To be developed
as part of S/T
sector study,
est. date 1984

Recommendation 10. This program is just reaching a "critical mass" in terms of developing viable consultancy services for Ministries, industry, et al. The three years prior to the new DRTPC management last year were not as fruitful as they should have been. In spite of these difficulties the Project progressed. The MIT/CU project should be continued subject to acceptance of the recommendations mentioned elsewhere in this report.

USAID/C

CAIRO 10455

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CLASS: UNCLASSIFIED
CHRG: AID 04/07/83
APPRV: DPPE/PAAD:JIAJ
DRFTD: DPPE/PAAD:FEAIF
CLEAR: 1.HFDC/EDU:WCEAF
N
DISTR: AID-6 AMB DCM

AITAC .

P.C. 12356: N/A
SUBJECT: DEVELOPMENT PLANNING STUDIES (263-0061)
EVALUATION

*Jon -
for your
file -
Garcia* ECON

1. SUBJECT EVALUATION HAS BEEN COMPLETED, SIGNED BY THE
MISSION DIRECTOR AND PUT IN THE MAIL FOR NE/TECH/HRST ON
APRIL 6.

2. PLEASE ADVISE NE/LP/PAE THAT ABSTRACT WILL FOLLOW AT
A LATER DATE. ATTFRTCN
BT
#0455

NNNN

Evaluation of the
DEVELOPMENT PLANNING STUDIES PROJECT
(263-0061)

Cairo, Egypt
February 1983

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I. Introduction

This evaluation was conducted by three U.S. Government personnel in Egypt over the months of December 1982 and January 1983 (Messrs. R. Mitchell and W. Charleson of USAID and T. Vrebalovich of the U.S. Embassy). It was undertaken in compliance with Project Paper requirements and in the light of a Cairo University (CU)/Massachusetts Institute of Technology (MIT) draft proposal received on November 25, 1982 for extending the Project Assistance Completion Date (PACD) from November 1983 to July 1986 and adding an additional \$14,000,000. The project was originally funded in 1978 and thoroughly evaluated by an external team in 1980. The current evaluation, therefore, has concentrated on: (1) what has (or has not) occurred since 1980 in terms of the recommendations of the 1980 evaluation which were subsequently made part of the Project Amendment of 1980, and (2) what remains to be done.

In discussions with the Project Officer and USAID/C Evaluation Officer, it was agreed that the current evaluation would not follow the standard AID format; i.e., tracking inputs to outputs, outputs to purpose and purpose to goal using the log frame as the point of departure. For reasons of limitations in time and staff, it was agreed that the evaluation team should:

- (1) Posit three critical aspects of an "end state" for the Development Research and Technology Planning Center (DRTPC) of Cairo University which is the Egyptian counterpart organization to MIT;
- (2) Examine CU/MIT progress to achieving the "end state" (i.e., a center capable of continuing the purpose of the Project without USAID direct Project resources); and
- (3) Recommend changes in Project activities when it could be demonstrated that their adoption would increase the likelihood of achieving the desired institutional "end state".

The three critical aspects examined are:

- (1) Financial viability; i.e., the extent to which the DRTPC could reasonably expect to obtain enough income from clients (GOE Ministries, UN, other bilateral donors and AID) to meet DRTPC direct and indirect operating costs over time;
- (2) The nature of the DRTPC's likely clients and the extent to which they would be willing and able to pay for direct research and overhead costs; and
- (3) The administrative and organizational capacity of the DRTPC to manage a growing research center that would provide a variety of services by itself.

The need to posit an "end state" was necessitated by the fact that none of the Project documents provide enough precision vis a vis "end state" to permit its use.

In short, while the evaluation seeks to clarify how much has been accomplished since 1980, it gives more weight to looking at how far key efforts must go before the purpose has been achieved or is likely to be achieved.

The Project's purpose remains valid.

"Create a permanent institutional framework through which Egyptian applied research and training capabilities can be organized so as to strengthen the capacity of GOE Ministries to carry out development and project planning activities."

What has changed is the date for achieving the purpose. In the light of a two year managerial hiatus which thwarted implementation, CU and MIT began, in early 1982, to prepare a proposal to extend the PACD by a like amount of time and add additional funds. It is reasonably clear that USAID/C concurred in the possible need for revisions and in no way discouraged the development

of the unsolicited proposal recently received. The evaluation team, therefore, has not used the PACD of the current Project (i.e., November 1983), but has considered the terminal date to be beyond that date.

The evaluation team is satisfied that full institutional viability of the DRTPC's three activities (administrative, training and research) will not be achieved by the current PACD, November 1983. July 1986, the proposed new PACD, is accepted only for analytical purposes. To the extent that the evaluation reveals that all or part of the purpose can be achieved before July 1986, the shorter duration is presented in the evaluation. In short, the evaluation team proceeded on the assumption that achievement of purpose remained the primary objective of USAID/C and the Government of Egypt and that, consequently, the duration of the Project and the funding of it should be dictated primarily by that objective.

The conclusions and recommendations which follow in Sections III, IV and V are related to the aforementioned two analytical optics: i.e., (1) how far the Project has come since 1980 and (2) how far it has to go.

II. Project Background

Beginning in 1973, as a result of substantial political and social transformation, the GOE assumed an increased responsibility to plan and execute programs that would contribute to its national development. The commitment to substantial, long-term economic assistance from the U.S. and other external sources brought major pressure on Egyptian Ministries responsible for these programs. Early contacts between U.S. and Egyptian cabinet members within the framework of Joint Working Groups identified limited capabilities in project design, analysis and implementation as a major obstacle to providing development assistance to Egypt.

Protracted discuss within the Joint Working Groups, particularly those concerned with Science and Technology, and Education, led to a decision to involve Egyptian and American academic institutions in a program to address development planning problems. Cairo University and the Massachusetts Institute of Technology were selected. In December 1976, AID contracted with MIT to establish a pilot collaborative research effort with CU and various interested GOE Ministries to improve their capabilities first to identify and analyze critical Egyptian development problems, and then to design and manage either remedial or new projects and activities. Simultaneously, the feasibility of institutionalizing the process of collaboration among Egyptian academics and government officials was to be examined. The success of the initial program contract led to a full scale PROAG and contract which the GOE and MIT, respectively, signed in August 1978, with the aim of continuing the collaborative research process and establishing a permanent, autonomous center at CU capable of independently carrying out research and education efforts relevant to the development objectives of the GOE.

Under the terms of the Project/Contract, joint collaborative research involving CU/MIT and interested "end-user" ministries proceeded. As the initial step in developing the desired permanent institutional framework, the Development Research and Technological Planning Center (DRTPC) was chartered as an autonomous research unit within Cairo University in March of 1979. The first director (former Minister, Ali al-Salmy) was appointed, a set of bylaws was enacted, and over 2,500 square meters of space was provided by Cairo University in a new building on the university campus.

An independent project evaluation conducted in late spring 1980 expressed satisfaction that the collaborative research activities and processes established and pursued during the first phase of the Project were making good progress. However, the evaluation report recognized the fact that progress toward institutionalization of the DRTPC had lagged significantly. In negotiations for a Project amendment and extension in the summer of 1980, institutionalization was the major point of contention. The amended contract

with MIT, signed late September 1980, provided that a specific organizational plan for accomplishing institutionalization of the DRTPC would be developed and provided within six months of the outset of the second phase of the Project.

Differences of opinion between the DRTPC Director and the joint CU/MIT project management concerning both the management and the programmatic nature of DRTPC activities contributed largely to delays in the desired institutionalization process; both before and after the initiation of Phase II. On the management side, the planned, gradual amalgamation of the administrative staffs of the DRTPC and of the MIT Project Liaison Office was not effected. Systems remained separate and diverse in approach and in practice. As regards research, the DRTPC Director embarked upon and pursued an ambitious program of research in a wide range of areas, and drifted away from the strong science and technology based research areas where the comparative advantage had been developed by the CU/MIT program.

The term of the DRTPC Director's appointment expired in February 1981, and Dr. Hassan Hamdi, President of Cairo University and Chairman of the DRTPC Board of Directors, did not renew the appointment. In March 1981, after a joint evaluation of the Center's progress conducted by the Cairo University Executive Committee and the MIT Policy Committee of the Project, a major reorganization was undertaken. The decision was made to postpone appointment of a new DRTPC Director, and the Cairo University Executive Committee took a more direct role in shaping the specific scope for the Center's activities and administrative development. This management hiatus, during which the Committee managed the Center, caused further delay in the overall institutionalization process. However, during that period a set of guidelines was established for the Center's research and educational objectives, and for its administrative development.

In April 1982, a new Director of the Director of the DRTPC was appointed. Plans for a revised organizational structure were formulated and implementation steps initiated by the new Director in collaboration with, and assisted by MIT. In view of the delay in institutionalizing the Center, and

given prospects for progress following the reassessment and reorganization, the Joint CU/MIT Executive Committees decided to propose to USAID an extension of the Program to accommodate a third, "institutional" phase. A final draft of this proposal was received by USAID/C November 25, 1982.

III. Overall Conclusion and Recommendation

Before offering specific conclusions and recommendations, the evaluation team felt compelled to provide a summary, overall conclusion and recommendation. Both are suggested by the importance of the project in the light of AID's desire to further the transfer and/or adaptation of science and technology to the developmental needs of Egypt and the fact that USAID/C has been asked to provide CU/MIT with a statement of intent regarding the possibility of extending the PACD and adding funds. The facts evidence that much has been accomplished under the Project, particularly in the research area (Appendix IV provides a list of research projects). Discussions with Egyptians consulted (Appendix V) confirm their sense of accomplishment and commitment to achieving the Project's purpose.

The development and acceptance of interdisciplinary research where it did not adequately exist before, the linking of Egypt's research capacity in universities to the needs of GOE Ministries/Agencies, the development of commitments to the application of knowledge (as opposed to the traditional theoretical pursuits of Egyptian academics) and the commitments of senior DRTPC staff to "hang in" when the DRTPC lacked full time leadership attest to considerable achievements which are not easily obtainable in any university. The evaluation team believes that starts in all these areas have been made, but that institutionalization of them in perpetuity will require additional investments and extensions of the project.

More than an extension in time and additional funds are required, however, if anything lasting is to be accomplished. The evaluation team believes that the Project's efforts to date have emphasized research at the expense of institutionalization; that development of an organization has been

viewed as a surrogate for the development of viable institutional capacity. The evaluation team believes that there is still some confusion among parties to the Project concerning the purpose of the Project and a mutually agreed upon "end-of-Project status", as noted in the 1980 evaluation. The recently received CU/MIT proposal offers the following purpose statement:

"To cooperate through a collaborative use of expertise from MIT, Cairo University personnel, and personnel from development oriented ministries to strengthen Egypt's planning, analysis and project development processes. To assist in the institutionalization of the Development Research and Technological Planning Center (DRTPC) at Cairo University to create a permanent framework for this effort."

What is being proposed appears to shift the emphasis of Project effort from GOE Ministries to the DRTPC; i.e. in the 1977 and 1980 statement of purpose (from PPs), emphasis is given "... to strengthen the capacity of GOE Ministries ...", while the recently received proposal offers the DRTPC as the main focus of Project activities. In the view of the evaluation team, purposes and "end-of-project status" should be carefully reviewed. The team believes that institutionalization requires the planned participation of all parties and that consideration of clients (the demand side) warrants more attention relative to the supply side (i.e., DRTPC) than it has received, particularly in the light of the need for obtaining greater revenues from clients to support the DRTPC's activities.

Overall Conclusion: In the light of managerial hiatus (beyond Project control) and despite shortcomings, particularly in planning for institutionalization of the DRTPC, the Project's efforts, particularly in research, warrant continuation of Project activities for a duration and at a level of effort commensurate with carrying out the following recommendations.

Overall Recommendation: Should USAID/C entertain a proposal from CU/MIT for the extension of the Project and for additional funds, the proposal, and any scopes of work derived from it, must clearly specify how the project will deal with the recommendations given hereafter in Sections IV and V. (1)

IV. Achieving Institutional Viability During the Remainder of the Project (i.e., between January 1983 and the proposed terminal date for Project activities, circa 1986)

This section reports the current evaluation team's conclusions and recommendations regarding the likelihood of the DRTPC achieving self-sufficient institutional viability by 1986. Three different but related perspectives are taken: (1) fiscal status (Charleson); (2) the market for DRTPC services and the organization of CU and the DRTPC research resources (Mitchell); and (3) DRTPC training and consultancy development (Vrebalovich).

1. Fiscal Viability

It is clear that fiscal support for the DRTPC's activities, until recently, came entirely from the CU/MIT Project which met all direct and indirect costs. It is equally clear that institutional viability in the future is, among other things, contingent upon the ability of the DRTPC to provide the kind and quality of services (e.g., research, computer facilities and training) that clients (e.g., GOE Ministries) want and are willing to pay for.

This is not to say that income must equal or exceed direct and indirect operating costs within the time limit of the Project, but

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- (1) Recommendations have been keyed with respect to when they should be acted upon:
- * - the recommendation should be acted upon immediately and should be a condition precedent to any extensions and/or contracts.
 - ** - must be accomplished for consideration of any amendment and/or contract revisions.
 - *** - should be commenced now with clear plans for finalization within six months after the commencement of any extension.

rather to point out that, in the opinion of the evaluation team, there must be clear evidence that dependency upon USAID is being substantially and clearly reduced and that this reduction is being increasingly off-set by other funding sources. The proposal recently received projects a relative reduction of Project resources over the proposed balance of the Project as well as a shift from research to institutional development components.

To gain insight into the rate and direction of the DRTPC's fiscal self-sufficiency, the evaluation team requested DRTPC to provide fiscal data showing the difference between costs and income for the period 1982/3 - 1986/7. At the same time, the evaluation team developed its own methodology, but used CU/MIT proposal base year figures (i.e., costs in 1982/3). In discussions with DRTPC/MIT staff, it became clear that, while the evaluation team and DRTPC/MIT were both working to calculate the volume of research/services required to assure that revenues would equal costs, approaches differed markedly on how to calculate "core" costs and, of course, subsequently the volume of research/services needed to cover them. DRTPC commenced by assuming that the DRTPC was planned to be a center with an annual research volume of between L.E. 3,000,000. and L.E. 3,500,000. Two analysis cases were prepared by DRTPC/MIT. The first (Appendix I) assumes that total indirect costs remain constant; that allocated direct costs are escalated and the ratio of fixed costs to variable costs would remain constant (i.e., fixed costs would remain at 82% of variable costs). The second analysis (Appendix II) posits that the ratio of allocated direct costs to direct costs is constant and that indirect costs are variable. The evaluation team's approach (Appendix III) attempted to identify "core costs" (i.e., fixed costs to cover minimum operational presence such as the Center's Director, accounting staff, computer operator, basic books and journals) and known income (e.g., from the Project and current outside research) and project them until 1986/7. The gap between projected income and core costs was projected and the volume of

research/services calculated (at 30% overhead) which would be necessary to meet the projected gap. Research and services were taken to involve variable costs which would be met from research/service contracts plus an overhead fee (30%) sufficient to cover core costs. Research costs were assumed to be variable. While there was no important difference between DRTPC and the evaluation team regarding what constituted core costs, it became clear that 1982/3 proposal base line figures for such costs included both fixed and variable costs, because the Center is currently providing research/services. Base line figures for 1982/3, consequently, reflect both types of costs. The evaluation team decided that the differences in methodological approach for calculating necessary research/service volume to break even were not as significant as the fact that all approaches signaled the need for substantial increases in research/service volume and that the recently received CU/MIT proposal provided no strategy showing how Center activities and resources would be deployed over the next three years to close the gap (i.e., reach the break-even point). Case 1 shows that a sixteen fold increase will be necessary (i.e., from current volume of LE 200,000 to LE 3,200,000 by 1986/87). Case 2 shows a nineteen fold increase (i.e., to LE 3,800,000) and the evaluation team's approach showed a twenty-one fold increase for the same period (i.e., to LE 4,200,000.) In the opinion of the evaluation team the increments reflected by differences in method are relatively insignificant compared to the fact that under the least severe estimate there still must be a sixteen fold increase in research/service volume in approximately three years.

The evaluation team has noted that neither Progress Reports nor the Draft Proposal for the Institutional Phase of the Project (1983-86) deal adequately with the funding problem. In the proposal, for example, only salaries are inflated, there are no reserves for depreciation, no non-research computer income is shown, no plans are given for how the DRTPC will handle credit

balances in its end-of-year accounts. While any one of these items may have only a marginal impact on the problem of fiscal viability, in the aggregate they may be very important. Most importantly, perhaps, the relationship of income to costs is not spelled out in reports or proposals, nor are plans specified for how the Center will reach the break-even point.

A. Conclusion: On the basis of existing cost and income forecasts, the DRTPC will face formidable funding problems beginning in 1985/6, rising rapidly in 1986/7 and thereafter and little has been done to systematically identify the problem or plan for its solution, within the context of a 3-year operational plan.

B. Recommendation 1: The DRTPC should develop a three-year operational plan in collaboration with MIT. The operational plan should provide: (1) an end-of-project status for each of the DRTPC's activity areas (e.g., research, instruction); (2) current status for each activity area; (3) clear strategies for progressing from current status to desired end-of-project status; and (4) specification of how the DRTPC's resources (i.e., GCE and USAID Project; human and fiscal) will be used to obtain desired end-of-project status.(*)

Recommendation 2: A clear and concise plan must be developed as part of the operational plan to deal with the problem of fiscal viability. This plan must, at minimum, deal with the following:(*)

- i. The size of the core facility and its relation to fixed and variable costs; i.e., to what extent can the core be reduced without prejudicing research and service quality?
- ii. The relationship of indirect costs to total costs and the possibility of reducing over time the indirect costs levied by CU so that an increasing portion of such costs are absorbed by CU (as they often appear to be in other research centers at CU).

iii. The relationship of existing research selection criteria to income. At the present time, DRTPC does not have research contracts with housing and construction, and research in support of private sector initiatives is fledgling at best. An income policy which essentially relies on generating a large and continuing amount of research for a few select clients (already on-board) should be compared to a policy which would cast the client/research net more broadly. In looking at this problem, the DRTPC should carefully consider what must be done to encourage potential clients to get involved with the DRTPC members. Should CU and particularly MIT become brokers (i.e., hiring competent staff from outside their respective faculties) when it is demonstrated that the nature of client demand can only be met by doing so?

Recommendation 3: The DRTPC's overhead rate or rates must be carefully determined. (**) There is every reason to believe that the 109% rate on salaries currently paid to CU by the Project may be too high and a 30% rate on total/costs too low, or they may be equal. The point is that neither have been empirically derived. Certainly U.S. consulting firms and universities charge considerably more than 30%. While the evaluation team understands that the setting of empirically derived overhead rates is difficult, it must be done if the DRTPC is to have any justifiable grounds for its overhead rates. This issue should be addressed immediately and USAID should not entertain any proposals for extension that do not systematically spell out how parties to the Project intend to deal with the problem, and how the problem relates to other cost/income variables.

Recommendation 4: Because the fiscal viability of the DRTPC is critical to its survival, the long range (e.g., three year plan) should provide for specific interim (e.g., one year) measures for assessing status (e.g., fiscal, client, administrative). These annual reviews should be in-house and should include staff from USAID/C, DRTPC and MIT.

2. The Market for DRTPC Services

The Center reports that it has become increasingly successful in obtaining research contracts relating to transportation, physical planning, and water resources. CU/MIT has had only limited success in penetrating the Egyptian economy's three largest sectors: construction, industry, and agriculture. (It was not expected to be able to provide significant research services to agriculture.) Considerable resources have been put into the non-responsive construction sector, and it seems that the CU/MIT has had problems in controlling the costs and managing the research activities in the sector, one of the largest in the Egyptian economy. Because the DRTPC anticipates narrowing its focus to applied S&T research concerns, this lack of marketing success suggests a possible misalignment between the demand for and supply of research services the DRTPC is able to offer.

This possible misalignment partially reflects the recognition that selected public agencies have given to successful CU/MIT projects and the quality of the CU academic research staff. However, it seems that the research in the construction area has been of high quality and has significant implications for development. Therefore, differences in the institutionalization of demand mechanisms for applied academic research cannot be explained (only) by the quality of the research performed to date. Instead, it appears that sectors differ in how they are organized, and these differences in turn affect:

- (1) the receptivity of and demand for applied research;
- (2) the use of this research so that its value can be demonstrated and in turn converted on a sustaining basis into a demand for additional research; and
- (3) the strategies DRTPC should evolve to market its research and training services.

The marketing of research services in the future should recognize differences in the way the markets in different sectors are structured. In the Ministry of Transportation and in the General Organization for Physical Planning, for example, it appears that the R&D/special studies function is fairly clearly centralized in particular offices that have funds for research and a leadership that has responded to the resources of the DRTPC. In contrast, the R & D/special studies function is widely diffused throughout the construction and industry sectors (as it is in the U.S. and in many other countries). Egyptian industrial firms do not have specific R&D offices. DRTPC research and service in industrial firms have been overseen by ad hoc liaison groups. There are no organizational mechanisms to continue the research, and there are no mechanisms to help activate a firm's R&D interests. The construction sector is similarly organized. Neither the Ministry of Industry and Mineral Wealth nor the Ministry of Housing have offices with funds to encourage research. Although individual firms may have funds, the firms are not presently organized in ways to involve universities on a continuing basis in solving firm-level or sector problems. Special research institutes have been created in both sectors (a Building Research Center and the Tabbin Metallurgical Research Institute), but these organizations suffer the same difficulties noted here for DRTPC.

DRTPC cannot be expected to effect basic changes in these sectors, but their economic significance, combined with their importance to a university research center with close linkages to a faculty of engineering, suggests that DRTPC/MIT should adjust its marketing strategies to recognize the peculiar structural features of different sectors. As will be noted later, a more deliberate coordination with other AID-funded projects may help develop the market for DRTPC services in the industry and construction sectors.

A. Conclusion: The market for DRTPC services is not homogeneous with respect to organization, willingness to undertake research, or in terms of capacity to do so.

B. Recommendation 1: CU/MIT should prepare program-selection criteria for USAID-funded activities reflecting market/client considerations.(**) The DRTPC has been successful in obtaining grants in several sectors that have centralized research offices, and it appears that the market in these sectors will continue to grow. There will be no shortage of "good" projects in the

sectors, but the Project itself should not be the sole basis on which decisions are made to involve AID-funded research and training activities, particularly in the light of the DRTPC's funding problem. Existing CU/MIT projects in these sectors should continue to be allowed to terminate. (This recommendation does not, of course, refer to DRTPC research arranged independently of MIT.) New CU/MIT activities should be limited to those sectors where the least progress has been made in institutionalizing the demand for DRTPC services.

These sectors (perhaps especially industry) seem the most likely sources for significantly expanding the DRTPC's funded research activities at a level that will help cover the overhead expenses being assumed by the Center. That is, the Center's marketing strategy might more appropriately look to opening new markets rather than to increase its share of existing markets. Its share of existing markets will be limited in part by the faculty resources on which the Center can draw. There is no evidence that the University will add new faculty with the skills that will allow a significant expansion in fields where institutional linkages have already been successfully established.

Recommendation 2: DRTPC should prepare a specific marketing and institutional development strategy directed to the high priority sectors. (***)
It may be especially important for DRTPC to build on the prestige MIT brings to the Project in working directly with Ministries and end-users on research and training activities and to help effect structural changes that will help encourage a self-sustaining demand for DRTPC research services. Furthermore, it is recommended that closer coordination and targeting be considered for existing activities, including the "new initiatives". These might include targeting a "critical mass" of internships, short-term research projects, fellowships and research seed-funds on particularly promising individual sub-sectors or firms. As will be noted later, this marketing strategy would also benefit from MIT involvement with the firm/sub-sector in jointly preparing scopes of work, assessing progress and results, and assisting in follow-on research and marketing activities. This strategy may occasion a different mix of CU/MIT resources, a revised level of effort and may also impact the PACD.

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3. The Center's Mobilization of Faculty

Faculties and departments within CU differ in the proportion of their professors who are engaged in development or other activities either outside or within the University. In architecture and civil engineering, it is reported that a high proportion of faculty members have outside well-paying activities. There is relatively little economic incentive for these faculty to become involved in applied academic research through the DRTPC. However, a number of leading members in these departments have been involved in the CU/IIIT Project in the past. This suggests that there are means to solicit faculty involvement in departments where there would appear to be economic disincentives for academic research.

Estimates vary on the proportion of faculty with outside research and economic activities within other departments in the engineering faculty. It is also not known how many faculty members could benefit from and contribute to the DRTPC's program. In fact, DRTPC does not appear to have good information on the University faculty resources potentially available to it. This means that potential users of these services are similarly without this information.

Not all professional staff within the University community nor within Ministries are aware of the services available from the DRTPC nor do they know they may tap into them.

B. RECOMMENDATIONS

Recommendation 1: DRTPC should conduct a survey of potential faculty resources available at CU to the DRTPC in targeted sectors. (***) This survey should also explore what is needed to obtain the kind of faculty involvement and performance consistent with the quality standards established by the DRTPC and client needs.

Recommendation 2: The DRTPC should prepare a brochure describing for the market and for the faculty the resources, services, and contracting procedures of the Center. (***)

The Project reports that a large number of faculty and students have participated in and benefited from the CU/MIT program. However, very few faculty members responded to the most recent advertising for internships and fellowships, and a very high proportion of all the participants are drawn from the engineering faculty only. Several reasons for this poor response have been suggested (e.g., the lack of cooperation on the part of other faculties; better funded alternate fellowship programs: e.g., Peace Fellows). A fellowship coordinator has been appointed to work on this matter.

It appears that senior faculty who apply for the internships are expected to identify and arrange for their own placements and assignments. The Project only provides funds. The fellowship program may follow the same pattern. That is, the Project is essentially in a reactive mode; it serves as a foundation disbursing grant awards to faculty who submit "good" proposals.

The proposed activities, however, are not targeted by sector; there is little if any effort to link projects in ways to support one another or the thrust of the Center (much less attract new clients); and DRTPC apparently has little follow-up with the proposed clients of the funded research and internship services. The project-identification, research, and follow-on marketing process seems to be incomplete and truncated. It appears that some faculty members working by themselves in relative isolation are not able to obtain the results the the Project of their funded activities.

A faculty coordinator is not going to solve this problem. A more deliberate development/marketing strategy is needed. It should cover targeting, placement, research assignments, and follow-on activities. In addition, the Project should offer for faculty members training in how to become successful research consultants in their specialized sectors, where this is appropriate.

4. Organized Research Within CU

The DRTPC is only one of a number of organized research activities within Egyptian higher education and within CU in particular. Neither research nor research centers are new phenomena in Egyptian Universities; and, furthermore, there seem to be a number of "joint research projects" involving the Universities with Ministries and other countries. These projects and centers provide a possible standard for assessing the degree to which the DRTPC has been "institutionalized", the possible ways that different research and research-support functions can be handled, the capacity of the centers and the University to perform certain functions for which MIT now has responsibility, levels and kinds of support Universities provide centers, the services for which outside clients pay (including overhead), and how faculty compensation is handled for the research projects operated through these centers.

Unfortunately, the evaluation team was unable to obtain information on the above topics, but sufficient information was collected to support the conclusion that DRTPC submit further information and analysis in its current proposal to AID for continuing support of the Project.

CU and other universities have their own research budgets. Each faculty has its board for research and a vice dean responsible for research activities. Individual faculty members submit their research requests annually, which are consolidated as they move upward in the University hierarchy for subsequent submission through channels to the Ministry of Finance. The research budget provided the University is then allocated down the University ladder to the individual faculty who made the initial submissions. It is assumed that decisions are made along the way regarding funding levels and areas of relatively high priority. Government presumably does not provide funds at the requested levels and, therefore, the University must apply some criteria and decision-making rules in determining the allocation of limited research resources. There is likely to be some flexibility in this system to permit University authorities to provide more support to certain areas than to others.

An unknown proportion of this research is conducted by individual faculty members; it is not "organized" research in the sense that it is part of a research center's portfolio of activities.

Universities have other resources available to support organized research activities. CU and the University of Alexandria, for example, have "higher institutes". Alexandria's two institutes focus on medical and public health concerns; CU has institutes concerned with statistics, African studies, tumours, etc. The institutes have training and service functions; they are budgeted in a manner similar to faculties; and it seems that some of the budget is used for faculty research.

In addition to higher institutes, Universities have centers. CU has 17 centers dealing with such varied topics as Islamic Studies, mass communications, kidney diseases, computer services, etc. At Ain Shams there are centers that deal with toxicology, teaching science, Middle East studies, etc. The centers differ in their organizational locus. At CU, some centers are under the Dean of the College of Medicine; most others are under the Vice President for Graduate Studies. The DRIPC, a multi-faculty inter-disciplinary center, is directly under the Rector of the University. Each center has its own advisory board.

CU expects its centers to be self-supporting with regard to their research and service activities. It is reported that CU subsidizes the establishment of the centers, but the centers are to generate their own outside research and service grants and contracts.

Again, our information is inadequate, but it appears the CU continues to pay for the support or overhead needs of the centers. These include physical space, utilities and maintenance, secretarial and other staff support salaries, etc. Not all centers receive the same level of support. Some of the decisions on this support are perhaps made by the assistant deans for research who serve on a university-wide research committee under the chairmanship of the Vice President for Graduate Studies. It is reported that decisions on funding levels are influenced by the persuasiveness of individual center directors.

This preliminary information tentatively suggests that CU has discretionary funds to support both research and overhead costs associated with organized research centers. Not all centers are treated equally; some receive more University overhead support than others. DRTPC is perhaps unusual in a number of respects, one of which is its organizational locus in the Rector's office. But it is not unusual in marketing its services outside the University and in providing various support services for its contract research.

A. Conclusion: Cairo University has a sizeable number of research units many of which obtain budgetary overhead support from the University; the DRTPC is not one of them.

B. Recommendation: To facilitate and to help plan for the long-term institutionalization of the DRTPC, DRTPC should investigate and consider the organization, funding, University support, and activities of other organized research and service centers within the University. (***) In addition to the items mentioned above, this information and analyses should consider the following topics:

i. Size of center staff, number and organization of center functions, and charges for center services: The DRTPC has six support functions (library, reports and publications, computer, administration, public relations, and finance), and a large (63 are anticipated) non-research support staff. To some extent, other centers must handle similar functions. The strengths and weaknesses of solutions adopted to date should be examined in order to determine whether the DRTPC development strategy is administratively necessary or financially feasible within the context of CU.

ii. Management responsibilities and performance: Responsibility for local project administration has been transferred to the DRTPC. MIT, however, retains certain contractual responsibility for the local currency account. It appears that the other 16 CU Centers have both administrative and fiscal responsibility for their activities. The experiences of these other centers provide some basis for judging what functions the University is fully capable

of handling in a manner satisfactory to their clients, outside donors, and the University itself. This is especially important for MIT, as it apparently has a blanket policy against participating in host-country contracts, a policy in opposition to AID's own policies and intentions regarding institutionalization and capacity-building. (AID's disbursement procedures today seem to address fears contractors might have regarding timely payment. CU has assigned the DRTPC the responsibility of reviewing and approving vouchers, rather than having this done by the University's own financial office. The Center also performs this function under another separate host-country contract with AID.) An analysis of how other centers handle these functions should help answer questions about the administrative and financial implications of different AID procurement procedures, as well as implications associated with the organizational development strategy of the DRTPC more generally.

iii. CU contributions to Center overhead: It appears that the DRTPC is expected to be fully self-supporting. It is to generate sufficient funded activities to pay for its own overhead. AID currently pays CU overhead, which in turn the University uses to provide selected support services to the Center. Other support services are paid out of the project. It appears, however, that other centers have a continuing claim on University resources to cover their overhead. Centers are expected to generate research and service revenues, not revenues to pay for all of the centers' overhead expenses.

The present evaluation report noted earlier that the DRTPC must generate a very large amount of funded research and services in order to cover its overhead. This level of funding may be unrealistically high; it implies that: (i) the Center may have to cut back its large support and varied services, and/or (ii) it must receive some of the same overhead support CU now provides other centers. It is not possible to make judgments on these options and the long-term sustainability of the DRTPC until more information is provided on University and outside support for the other 16 centers.

iv. Extra compensation for faculty: AID, other donors, and Egyptian agencies themselves have discovered that it is customary practice (regulated by Egyptian law) for Egyptian civil servants and faculty members to receive

extra compensation for participating in "new" activities not specifically included in their job responsibilities. AID has a policy against paying civil servants extra compensation for work their government is already paying them to perform. USAID/Cairo and the GOE are now handling this compensation payments from the CIP-generated "Special Account." The payments are not to be paid from Project funds. Government's approval of the use of these funds is one measure of the demand for and value of the services an AID-funded project provides. It also represents another step toward institutionalizing the Project. The CU/MIT Project was initiated prior to the creation of the Special Account. The Account, however, is now available to the Project.

No information is available on how other centers within the University handle the compensation issue and provide funds for these payments. It is also not known whether DRTPC extra compensation levels are higher, lower, or the same as those for faculty involved in projects funded under other bilateral auspices. Because payment levels have significant implications for faculty involvement in the Center and, therefore, the sustainability of the Center, and because these compensation payments could be shifted from AID Project funding to the Egyptian-controlled Special Account, more information should be provided on how other centers handle extra compensation payments to the faculty and staff.

5. AID PROGRAM ISSUES

The Development Planning Studies Project was one of AID's first and now oldest activities in Egypt. Since the inception of CU/MIT, AID has added a number of related projects, and it has also defined more clearly various program goals for these projects. Several different projects are to contribute to improving industrial productivity, to facilitating the transfer of technology, and to mobilizing Egyptian S&T talent to work on problems of national development. Relevant other projects include Peace Fellows, University Linkages, and Industrial Technology Application. The first two are in HRDC/EDU; the other, together with additional S&T activities, is in HRDC/S&T.

CU/MIT obviously is not intended nor able by itself to achieve the numerous relevant program goals AID has defined in these areas over the past several years. More can be achieved, however, by more closely coordinating related activities in different projects. For example, ITA (263-0090.3) will have an industrial extension service that will visit a large number of industrial firms to assist them in solving their problems, some of which will be candidates for DRTPC research. ITA also will draw on university faculty for short-term consulting assignments, and this project would benefit from CU assistance in encouraging industrial firms to create R&D mechanisms. These mechanisms in turn would help institutionalize the demand for CU research and training services.

Some examples of potential inconsistencies among projects appear to have emerged already. For example, CU/MIT reports that the Project's doctoral fellowship programs has "become a hostage" to the more attractive opportunities provided by the Peace Fellows program. And the University Linkage Project appears to see itself as a mechanism to mobilize faculty in CU and at other Universities to do some of the same things the DRTPC is doing at CU, rather than to make it possible for the Center to involve faculty drawn from other Universities in its own projects. CU/MIT addresses sustainability of faculty research and service activities by building organizational capacity within one University. The University Linkages project is not addressing organizational development and sustainability within Universities in a comparable manner.

In addition to potential problems arising from apparently divergent program and project strategies, it appears that different offices within USAID itself could benefit from drawing on the resources of DRTPC. The Mission is a potentially significant market for the Center's services, and it would also seem that the Mission should, where appropriate, utilize the resources that it is supporting within CU.

DRTPC, therefore, raises two separate but related issues for AID: (1) how to coordinate DRTPC with other Mission projects in order to enhance the value of each and to increase their combined ability to achieve program goals, and (2) how to market DRTPC services within the Mission?

A. Conclusion: USAID/C should maximize the use of the DRTPC.

B. Recommendation: HRDC, the division responsible for S&T, productivity, technology-transfer, and university related projects within USAID/Cairo, should develop as soon as possible: (1) a strategy and mechanism to effect mutually supportive coordination among projects in these relevant sectors, and (2) a mechanism to encourage different Mission offices to draw on the resources of the DRTPC for relevant research, training, and assignments.

The GOE pledged to contribute LE 8,500,000 to the Project (See 1980 ProAg amendment). USAID/C might wish to confirm this contribution in the light of CU indirect cost concerns.

6. DRTPC. Manpower, Training, Collaboration and Consultancy

For a period of nearly twenty-five years preceding the break with the Russians in the early seventies, Egypt was isolated from Western progress in S&T. Certainly there were many Egyptians who had been trained in the West but even these did not have the chance for the interaction necessary to keep abreast with Western S&T. Western professional journals and other S&T publications were not readily available. Many Egyptians went to the East for their higher degrees. Many Egyptians during this period who went to the West for graduate degrees did not return. The fourth Egypt 2000 S&T meeting last December consisted of Egyptian-Americans who meet in Egypt to help the educational, governmental, and industrial S&T community.

During this era, the Naser era, S&T laboratories in the Universities had exceedingly small expenditures available for procuring modern research equipment and for purchasing books and journals. Egyptian S&T did not keep up with the rapid progress of S&T in the West or even in the East. The GOE did set up governmental institutions such as the National Research Centre (NRC) whose role was to infuse modern technology into the limited industrial community. Unfortunately the NRC did not do an effective job and became, in effect, another degree granting institution. The NRC never effectively developed the infrastructure nor may it have had the interest to contribute effectively to industrial development.

During this era the university S&T community turned inward. Professors did limited consulting for an industrial establishment which was nearly 100% government owned. They did almost no consulting for GOE technical Ministries. A few did establish or work for outside engineering consultancy firms. That period witnessed the establishment of new universities in Cairo as well as the provinces. The teaching and technical Staff in S&T were recruited primarily from the NRC and from Ministerial research centers. Many professors from the extant universities held part-time teaching jobs in these new universities in order to supplement their meager staff.

The poorly equipped laboratories and the extramural activities left those professors no choice but to pursue the minimum research that was necessary for their academic promotion. The extra income accrued from part-time employment was supplanted by the disproportionate rise in the cost of living that was triggered by the exponential increase in the price of oil.

The subsequent wealth amassed by some Arab States and the ensuing ambitious schemes for building their infrastructure presented ample opportunities for Egyptian S&T professors to rapidly improve their economic well-being. They left in increasing numbers their teaching posts at their Universities to joining new ones in the Arab States. The insatiable desire to do so had to be checked by the promulgation of a law (albeit pertaining to academia only) that restricts the leave of absence for a faculty member to four academic years and only 25% of the staff can be on leave at the same time. The exception to this are the professors of medicine. They earn extra income by having outside medical practices. Therefore, Egyptian health does not benefit from the contributions of these professors whereas there was and still is to a large extent a limited connection of the S&T professors with the technical Ministries and industrial community.

The details of this will be discussed by other reviewers. More importantly, though, MIT has helped upgrade the skills of faculty and other professionals involved in the program. My (Vrebalovich) experience of being involved in administering nearly five hundred S&T projects in two countries plus my participation in exchange of scientist programs plus two years as a

visiting professor at the Indian Institute of Technology in Kanpur, India, plus 27 years as a research scientist, space project manager, and Manager for Research in the Office of Research and Advance Development at JPL have made one thing clear: Collaboration between scientists is the best and most efficient way to transfer technology. Not surprising at all is the fact that both parties benefit. By technology I mean everything from products, processes, technical skills, and use of technical laboratory equipment to management skills. CU departments, laboratories and professionals have only recently had the opportunity to catch up with Western technology. The DRTPC program of CU-MIT is an excellent vehicle for technology transfer.

This Project is not doing enough in upgrading CU laboratories because it does not have the resources or the charter to do this. Perhaps this Project should be expanded or a supplementary project provided to upgrade CU laboratories to the S&T of the 1980's.

The above discussion relates to the effects of collaboration on CU laboratories and professionals. In terms of the consultancy with GOE Ministries, MIT professionals have worked with CU professionals in laying out plans for initially approaching specific problems. They have provided consulting back-up to the CU project groups that is not available in Egypt. Examples of this are numerous - every project has benefitted. For example, sophisticated MIT transportation modelling programs were modified to fit Egyptian conditions. As I understand it, MIT and CU both benefitted from this project.

MIT professionals not only work as consultants to CU, they work as consultants to the technical Ministries. The Ministries benefit from having a problem solved, and professionals within the ministries benefit from contact with the MIT consultants. Further, these MIT and CU consultants provide invaluable advice for upgrading laboratories and facilities within the Ministries. GOE and not AID funds are used for this. As I understand it, both the Electricity and Transportation Ministries have benefitted from this.

In terms of the depth of MIT participation, fifteen MIT professors and as many as forty other professionals including graduate students have been involved in projects. A full time MIT staff member resides in Cairo and a small permanent MIT project staff handles matters at MIT. These interfaces provide excellent support to the Center and to the projects as well as to the MIT professionals at MIT. They serve to identify resources and handle the many visits of MIT personnel to Egypt and Egyptians to MIT.

The key to the success of this program is the dedication of capable individuals. On the MIT side, a capable manager and technocrat provides the mature leadership necessary for a sophisticated project like this one. MIT Project leadership has the experience vital to make a project like this work. Ideas and organization are simply not enough. It takes leadership on both sides, and MIT is contributing its share.

An upgrading of Egyptian Universities and government research laboratories began to take place under the Special Foreign Currency (SF) program of US-Egypt collaborative research programs and AID sponsored S&T projects. The CU/MIT is one of these projects that is attempting to bridge the gap of many years of isolation of the S&T research community from the real world of industry and technical Ministry problems.

7. MANPOWER

Of the 4000 CU faculty members, over 200 have been involved plus a number of outside consultants. The involvement has been broad based. Concerns of academic freedom initially expressed have been satisfied with experience. Junior faculty, graduate students and even undergraduates have participated in consultancy projects with GOE technical ministries and industry. The fact that the DRTPC has the infrastructure, contacts, funds including seed money, and that incentive salaries are paid has induced faculty to participate. For the first time younger faculty and graduate students can be paid incentive salaries that are normally available only for senior faculty who do outside consulting or extra teaching to supplement their salaries. Doctors, lawyers, architects and some kinds of engineers have found it

relatively easy to do consulting, establish outside offices and get second jobs that supplement their university salaries. The DRTPC projects involve faculty from a wider base of disciplines than those normally involved with outside consulting.

This Project has successfully met the goal of involving a wide constituency of University professionals including senior and junior faculty as well as graduate degree earning students in DRTPC projects. The list of projects and personnel involved clearly illustrates this. Further when needed the Project has involved consultants from other Universities and GOE agencies--approximately 20 professionals. In this way the base of the program can be broadened. It makes better sense to draw on Egyptian expertise than to import expertise—it's cheaper too.

MIT Collaboration:

MIT has helped CU set up the infrastructure necessary for the DRTPC to efficiently manage the consultancy program.

8. TRAINING

In order that the DRTPC be an effective consultant to the technical Ministries and industry, the CU faculty must have a broad spectrum of skills. In some instances present skills are adequate, in some instances these skills must be upgraded, and in others new skills must be acquired.

Several methods and procedures have been developed to broaden the base of capabilities including management skills of the faculty and graduate students of CU. The real goal is to contribute to Egypt's development and much can be done by being effective consultants to GOE Ministries and industry. Hopefully some of the students involved in this program will take these acquired skills and experience into industry.

One of the best ways to acquire new skills is to work with experienced professionals on projects. CU faculty and students work with MIT professors

on research projects. Faculty and students have opportunities to go to MIT for short periods to consult and work on the projects. Working in MIT laboratories with MIT students and faculty is another skill acquiring exercise. Note that there is a CU and a MIT principal investigator on each project except perhaps for some DRTPC projects funded elsewhere.

The "New Initiative Program" begun in 1981 includes internships and doctoral and postdoctoral fellowships. Internships are for qualified graduate Ph.D.'s and young faculty who get to work on projects in industry and ministries. There have been eleven of these with five completed. This is an excellent mode for gaining experience. Hopefully, some of these young faculty will take the opportunity to accept positions in industry or ministries.

Research study opportunities for doctoral and postdoctoral students are available under the fellowship program. Of these awards there have been eighteen postdoctoral students with four completed and sixteen for doctoral students with two completed. These fellowships offer the doctoral student an opportunity to work with a visiting MIT professor. Again these broaden the skills base for consultancies which will contribute to development. Of greatest importance for doctoral students is that they may get funds to support their CU Ph.D. research as well as draw salaries while getting their Ph.D. - most uncommon in Egypt! The DRTPC appointed a senior faculty member to provide "guidance and assistance" to the fellows.

Another activity which has great potential and is used in several countries allows Egyptian doctoral students to do part or all of their research at a foreign University but receive their degree at CU. The MIT/CU Project has sponsored only two students to study at MIT thus far. Both this program and the sponsored doctoral fellowships offer the student an opportunity to work with an MIT professor. Simply taken, collaboration, internships and fellowships offer CU Egyptians the opportunity to upgrade their skills and contribute to Egypt's development.

9. CONSULTANCY

There are many yardsticks to measure the effectiveness of the DRTPC as a consultant service. First according to all discussions, both private and group, there was very little interaction between the CU faculty and outside groups such as GOE Ministries, public corporations and private groups. There is not a tradition, or even the opportunity, for faculty to consult on a regular basis for industry, Ministries, and etc. In the West, and certainly at MIT, professors regularly spend a day, week or summer vacations as consultants to government or industry. Not only was there little tradition at CU to do this or little opportunity, there was little confidence in the potential customer in the ability or willingness of the CU faculty to do consultancy work. There certainly was no track record. There were exceptions, especially among civil and architectural engineers as noted in previous paragraphs.

Therefore the seed money provided by AID, the MIT collaborators who participate, and the DRTPC role are the catalyst for getting an entre to the Ministries, public corporations, and others for consulting services. Each of these elements was necessary to get the CU/MIT Project under way. The organization, acquisition of skills, and input of MIT consultants were necessary to give the possible customers confidence in the ability of the CU staff participants to perform a useful function.

The fact that the customers (Ministry, industry, and etc.) did not initially have to pay to have a service performed for them certainly provided a positive incentive. The seed money provided by AID to pay salaries and support the infrastructure was necessary in the beginning. The capacity to provide professional foreign consultants who would work with CU staff and the customer was another incentive to the customer. (Egyptians seem turned-on by the use of foreign consultants!) The customer not only gets the benefit of the MIT collaborator in Egypt, in some instances they, as well as the Egyptian collaborators, get to visit MIT laboratories and other facilities in the U.S.

Not only are the CU professionals getting their professional skills (technology transfer) upgraded, the ministries, industry, and other professionals have their skills upgraded. This is an important incentive which was rather obvious in the discussions I had with the Ministry of Transportation and Telecommunications.

It was clear from the briefings, visits and other discussions that the "customers" are gaining confidence in the ability of the DRTPC to perform a useful and necessary function for them. Seed money and MIT staff were the catalyst, but this dependency will lessen with time. In fact there are now sixteen projects with five completed in which there are no MIT principal investigators and no AID seed money. This is certainly one measure of success.

The CU/MIT Health Care Delivery System Project was noted to me as an effort that did not work too well under the CU/MIT Project. The Project did not fit well with the MIT consultants who were available. In spite of this the Ministry of Health continued the Project on its own. The CU/MIT consultancy was the catalyst for identifying the problem and getting this health project started. As I understand, it has been very successful under the Ministry of Health. There have also been cases where, as a spin-off to a project, a professor becomes a private consultant without any need for DRTPC support. I count both of these modes as a success. The purpose of the Project is to get CU professors involved with the "real world" and to identify and help solve problems involved with Egypt's development.

10. RESEARCH LABORATORIES

The section on training covered many elements of technology transfer, but a look at CU technical laboratories or those of any other engineering or science department at an Egyptian University reveals the state of neglect that exists in most of them. This must certainly reflect on the abilities of the faculty to do useful experimental research. An exception to this is the Military Technical College that has excellent laboratories and well-trained faculty.

Very limited resources have been put into research laboratories of Universities and most government laboratories; the exceptions are those that have been sponsored by AID or SFC. Money for equipment alone will not resolve the overall problem.

There must be incentives for faculties to spend time in the laboratories. The DRTPC program gives that incentive, in terms of salary and identifying projects that might be carried out in the laboratories.

As noted earlier, this Project was not expected to upgrade laboratories at CU nor did it have the funds to do this. It is clear that incentive salaries and capital expenditures are needed for this purpose at CU as well as other Egyptian University and government laboratories.

One excellent benefit has been the investment in GOE Ministry laboratories by Ministries. The DRTPC has certainly provided professional advice which has enabled Ministries to improve or even provide new facilities.

A. Conclusions

This Project is a US-Egypt collaborative project in which technology skills are transferred. Ministries, industry and others are benefitting from the Project. For the first time many faculty are consulting for Ministries, industry and others (UN, AID and even a University in Jeddah).

Junior faculty and even doctoral students are involved and can be paid for the research they do. There are also internships and up to the present time there are two sponsored Ph.D. students doing part of their research at MIT and getting their degrees from CU. GOE Ministries are benefitting from the expertise of CU faculty. Very real-development problems are being solved. Professionals within Ministries and industry are upgrading their skills while relying on the DRTPC as a consultant service. MIT professionals are not only assisting in upgrading technical capabilities of CU participants, they are also developing consultancy and management skills of CU professionals.

This Project is bringing credit to CU/MIT as well as bringing credit to AID. It is doing an excellent job in meeting research goals noted earlier, although more attention is required to assure the institutional ability of the DRTPC. Collaboration is the best vehicle for technology transfer and collaboration has been effectively used in this project.

The change in 1982 in DRTPC management has increased the effectiveness of the Project. The leadership and support on the MIT side is excellent. The support of the CU President and GOE Ministries has been excellent.

The Project is a long way from being independent of MIT technical and AID funding support. The DRTPC has only been working as a successful infrastructure for the past year. The Project should continue to upgrade technical skills (technology transfer) of CU professionals.

The technological base of the CU consultants must continue to be broadened. DRTPC seems to be involving an increasingly wide base of technologies while using present expertise in self-financed (i.e., customer financed) projects. Fellowships, especially those in which doctoral candidates do part of their research at MIT, are valuable.

B. Recommendations

This program is just reaching a "critical mass" in terms of developing viable consultancy services for Ministries, industry, et al. The three years prior to the new DRTPC management last year were not as fruitful as they should have been. In spite of these difficulties the Project progressed. The MIT/CU Project should be continued subject to acceptance of the recommendations mentioned elsewhere in this report.

In addition, AID should take a careful look at the possibility of upgrading not only CU laboratory facilities but selected laboratories in the entire university and government sphere - e.g., NRC, Ain Shams, and etc. This is of course a separate project but the mode of operation developed under the Project could be used for this purpose. MIT, another U.S. university or a consortium of American universities might be used for this purpose.

Further examination should be made to get this Project or another project involved with the private sector. This Project has not done this, and it may not be possible under the present guidelines. Incidentally, the agricultural sector should not be neglected. Food storage, food transportation, and food handling are also possible subjects for collaboration

V. Progress Toward Fulfillment of the 1980 Evaluation Report Recommendations (1)

(Note: Recommendations of the Evaluation of the Cairo University/Massachusetts Institute of Technology Planning Program [AID Contract NE-C-1291] dated July 1980 were included as part of the Amendment One Project Paper for the Development Planning Studies Project 263-0061.)

A. General

1. The AID/MIT/Cairo U program should continue, with modifications to insure a transition to an independent Egyptian capability

The program has been succeeding, at both the output level of useful research results and at the purpose level of enhanced institutional capabilities. Just to evoke a reaction, we suggested in Cairo that since progress was good, perhaps MIT was no longer needed. The reaction was strong that MIT can make an important contribution to consolidate the good foundation built thus far.

In view of its successful procedures, one should move with caution to make modifications. Our general recommendation is that more planning emphasis go to the institutional characteristics of success. This will probably mean that research projects should be

(1) In the presentation that follows, quotations of recommendations from the 1980 evaluation are indented, single spaced and placed in quotes. Though somewhat cumbersome for readers to follow, the evaluation team believed the full presentation of recommendations was preferable to paraphrasing. After each quote, observations are made by the 1982/3 evaluation team.

selected or directed to help parts of the University or Ministries which need more experience with research. It will also mean that the training which occurs as part of the conduct of research projects should be supplemented in some particulars."

From October 1980 until the spring of 1982, the DRTPC suffered from an hiatus in leadership. This impacted negatively on the process of institutionalization. The evaluation team is well satisfied, however, that the hiatus was beyond the control of the DRTPC and MIT. Recognizing this, parties to the project (USAID, DRTPC and MIT) agreed upon the necessity to reorganize the final phase. A new scope of work was prepared by MIT and Cairo University based on the 1980 evaluation, USAID/Cairo recommendations and priorities and directions indicated by the Director appointed in early 1982. The new scope of work is expressed in the draft proposal received from CU/MIT in 1982 in which it proposes an extension of the project for two additional years with full program effort to be followed by six months of phase out with reduced funding. (New PACT June 30, 1986) Total additional funds proposed for the extension are \$14,000,000.

The DRTPC has developed and applied new criteria for selecting research projects. Since June 1980 seven CU/MIT projects were phased out and six new ones developed. Since 1980, CU/MIT projects have involved several new faculties at CU (Table 1) and GOE Ministries (Table 2). A growing number of CU faculties and departments benefit from fellowships and internships (commencing October 1981) (Table 3). Faculty involvement since 1980 also indicates the DRTPC's commitment to inter-disciplinary research which, in the opinion of the evaluation team, is a very significant development, replacing as it does the single faculty approach to research which characterized most pre-project work at CU. In developing and using the new Project selection criteria, the CU/MIT program has clearly opted for projects in which quality could likely be assured. While being aware of the desirability of broadening CU and Ministerial involvement, the DRTPC has correctly, in the opinion of the evaluation team, decided that broadening the base of cooperation should never be at the expense of quality research.

CU/MIT continues to offer short courses (Tables 4 and 5). The supplementing of short courses should be thoroughly explored, particularly for ministerial personnel. This is not to say that the Project should undertake to fund long-term academic training. It should not, because USAID/Cairo has other projects for funding long-term training. What is needed are clear plans which relate long-term and short-term training to the needs of client ministries. It may well be that for some Ministries, the first step to longer-term cooperative enterprise may be the up-grading of Ministerial staff.

TABLE 1

INVOLVEMENT OF CAIRO UNIVERSITY FACULTIES AND DEPARTMENTS IN CU/MIT
PROJECTS INITIATED SINCE JUNE 1980

<u>Project</u>	<u>Cairo University Faculties and Departments</u>
Resource Development and Policy: Petroleum	Faculty of Economics Department of Geology, Faculty of Science*
Urban Infrastructure	Urban Planning Institute* Department of Architecture, Faculty of Engineering Department of Public Works, Sanitary Engineering Division, Faculty of Engineering*
Qattara Depression	Department of Meteorology, Faculty of Science* Department of Irrigation and Hydraulics, Faculty of Engineering
Auto Production Planning	Institute of Statistical Studies and Research: Operations Research Department* Computer Science Department* Department of Applied Mathematics and Physical Sciences, Faculty of Engineering* Department of Electric Power, Faculty of Engineering
Energetics in the Egyptian Metal Industries	Department of Metallurgy, Faculty of Engineering* Department of Mechanical Power, Faculty of Engineering* Department of Mechanical Design and Production Engineering, Faculty of Engineering Department of Electric Power, Faculty of Engineering
Gypsum Quarrying and Product Manufacturing in Egypt	Department of Mining, Faculty of Engineering*

*Indicates new department involved in CU/MIT Program.

TABLE 2

INVOLVEMENT OF MINISTRIES AND GOE AGENCIES IN CU/MIT RESEARCH ACTIVITIES
AND FELLOWSHIPS INITIATED SINCE JUNE 1989

<u>Project</u>	<u>GOE Ministry or Agency</u>
Resource Development and Policy: Petroleum	Ministry of Planning Ministry of Petroleum* Egyptian General Petroleum Company* AGIBA (state petroleum operating company concerned with natural gas)*
Urban Infrastructure	National Organization for Water and Sanitary Drainage* General Organization for Physical Planning
Qattara Depression	Civil Aviation Authority, Department of Meteorology* Ministry of Electricity and Energy
Auto Production Planning	El Nasr Auto Company* Ministry of Industry
Energetics in the Egyptian Metal Industries	Egyptian Iron and Steel Corporation* Misr Aluminum Company* Ministry of Industry
Gypsum Quarrying and Product Manufacturing in Egypt	Fayoum Governorate*
Ministry Internships	Egyptian Iron and Steel Company* El Nasr Organic Chemical Company* Egyptian Portland Cement Company* Delta Steel Company* Ministry of Electricity and Energy New Valley Governorate* National Cement Company* Electricity Distributing Company for Cairo*

*Indicates new ministry or government agency involved in CU/MIT Program

TABLE 3

INVOLVEMENT OF CAIRO UNIVERSITY FACULTIES AND DEPARTMENTS IN CU/MIT
FELLOWSHIPS AND INTERNSHIPS INITIATED SINCE JUNE 1980

Faculty of Engineering:	Civil Engineering Irrigation and Hydraulics Mathematics and Physical Sciences* Electric Power and Electronics Biomedical Engineering* Aeronautical Engineering* Chemical Engineering* Architecture Structural Engineering Metallurgy, Mining and Petroleum* Mechanical Production and Design Mechanical Power*
Faculty of Science:	Physics* Geology* Astronomy*
Faculty of Economics and Political Science:	Economics Political Science
Faculty of Commerce:	Accounting* Management*

*Indicates new department involved in CU/MIT Program

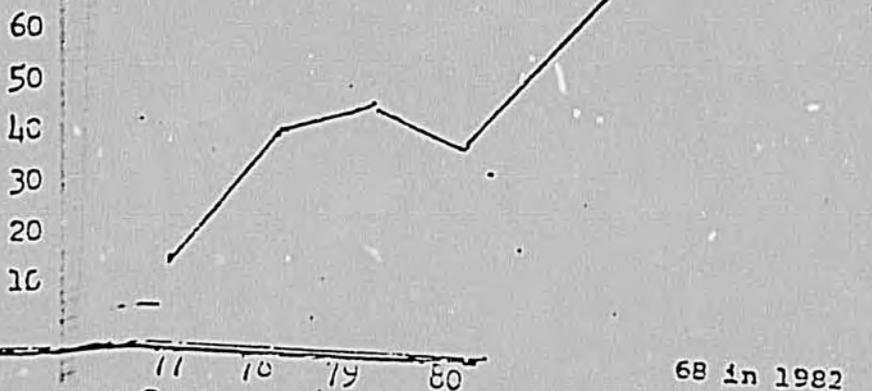
TABLE 3 (CONT.)

UPDATE OF DATA ON CU/MIT EGYPTIAN PARTICIPANTS

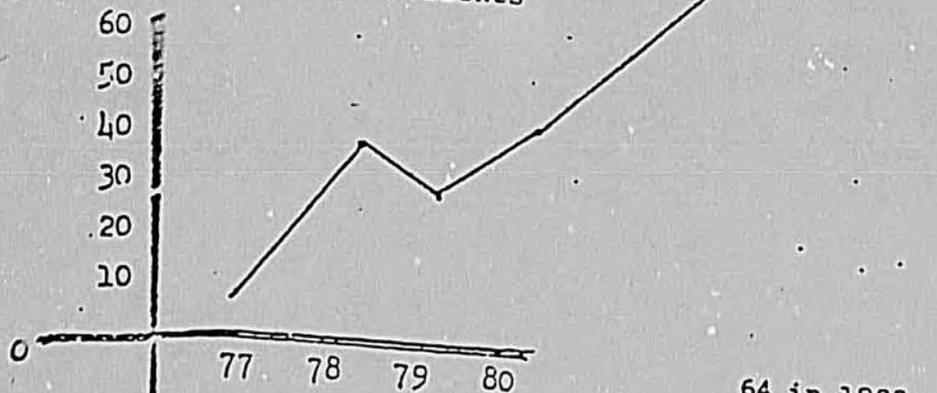
Chart originally prepared for 1980 evaluation

Number of professional people substantially and continuously participating in the CU/MIT program as of May each year.

Cairo University Faculty *es*



Cairo University Graduate Students



Government of Egypt Ministerial Staff

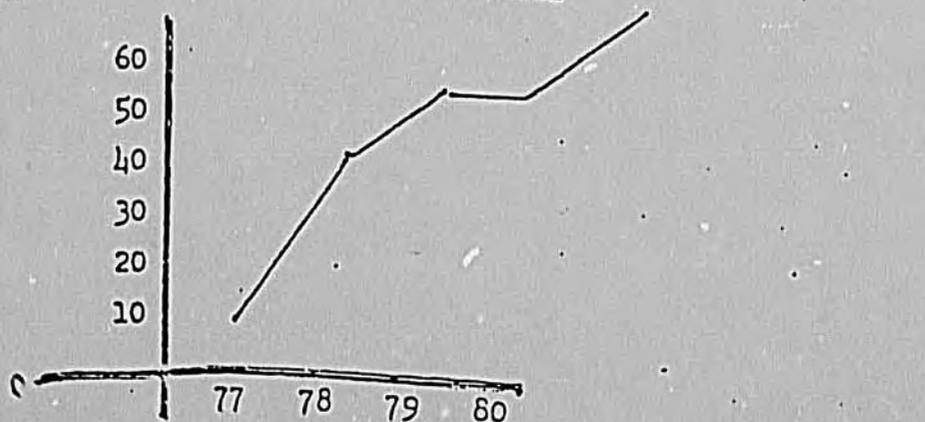


TABLE 4

WORKSHOPS AND SHORT COURSES HELD BY CU/MIT PROGRAM SINCE 1980

Date	Title	Scope and Participations
January 1980	Management of the Construction Industry in Egypt	60 top construction industry managers, ministry officials, and university faculty and students attended to review, discuss and debate important industry issues. The workshop was designed to provide an understanding of constraints limiting company growth and entrance of new firms into the construction sector with a fuller appreciation of the applicability or non-applicability of modern project management techniques.
January 1981	Management of the Nile Delta Groundwater Aquifer	Over 80 participants from government agencies, three Egyptian universities and two U.S. universities. Workshop focused on the management alternatives for the Nile Delta Aquifer. Newly recognized upward leakage of groundwater in the Delta area has caused concern within the Ministry and research findings were used to discuss the impact and alternatives.
January 1982	Analysis of Water Resources Systems	This workshop incorporates research results and techniques developed since the first workshop held in 1978.
10-11 January, 1982	Communication for Rural Development in Egypt	This seminar presented results of research by the Communication Project and included sessions on communication structure and policy in rural Egypt, appropriate technology for rural development, technological alternatives and telecommunication policy in Egypt, and development communication and national development.
23 May 1982	Plastic Piping for Potable Water Supply and Drainage Systems	Attended by 90 people. Approximately 40% were representatives from the private construction industry.
1 November 1982	Workshop on CU/MIT Petroleum Project	Attended by 20 people from all groups participating in the project.
November 1982	Design of Irrigation Structures	20 ministry participants attended this short course, which took place at the DRTPC over a three week period.

TABLE 5

FUTURE CONFERENCES, SEMINARS, AND SHORT COURSES EXPECTED FOR THE DRTPC IN
ADDITION TO ANNUAL PROGRAM CONFERENCE HELD IN JANUARY

<u>CU/MIT Project</u>	<u>Expected or Potential Activity</u>
Electric Power System	May repeat short course held in January 1979, with emphasis on reliability in systems planning.
Intercity Transportation	One seminar is held each year in addition to January Program conference.
Engineering Applications for the Plastics Industry	Short course planned on plastics engineering for production engineers from public and private sector companies.
Water Resource Planning	Third major conference on water resource planning will be held in June 1983.
Stochastic Models of Nile Inflows to Lake Nasser	Will participate in June 1983 water resource conference. May hold a short course on advanced principles of hydrology for graduate students at Cairo University.
Resource Development and Policy: Petroleum	Will hold a workshop on natural gas next year.
Urban Infrastructure	Will hold a seminar later in the year to present project findings.
Auto Production Planning	Planning a 3 month workshop on operations research to be held for 20 employees of El Nasr Automotive Company. A 10 day workshop for 30 employees would also be held. This is to assist in the establishment of a Department of Operations Research at the company.
Energetics in the Egyptian Metal Industries	Short courses anticipated.

2. Clarify the purpose and the end-of-project status.

For the second part of the contract, it would be useful for the various parties involved - Cairo University, including the several interests represented in the Center's Board of Directors, the USAID and MIT to agree on what they now consider a realistic statement of purpose. For instance, does it include project development as well as problem solving? Then the statement should be generally known, so that all people working on sub-projects address themselves to its achievement. For instance, Ministries should be aware that they ought to be concerned about training people as well as about helping plan and produce research results.

Probably more important than the wording on the purpose is the description of the conditions which should exist with success - "the end-of-project status." Chapter I of this report suggested characteristics of success for the Center, the University, and the Ministries. Each of these needs to be considered by the interested parties.

For instance, if one of the three capabilities of the Center is agreed to be to facilitate contacts between faculty members and Ministry officials, the nature of this facilitation may need to be considered in more detail. If a Ministry comes with a problem, how should the Center proceed to mobilize a team to prepare a proposal? If a faculty member initiates a proposal, how should the Center help in getting support from a Ministry sponsor?

The second capability suggested for the Center is to assure proper selection of research tasks and proper quality for results. The Evaluation Team considers this so important that it has made a separate recommendation on this topic. (Recommendation 4 for Center)

The third characteristic of success deals with logistic support for researchers. Here, there is a recommendation (#3) that the Center adapt procedures of the Liaison Officer to fit Egyptian needs.

It may be that other capabilities are also desirable for the Center.

The essence of the characteristics of success suggested for both the University and the Ministries is a critical mass of trained people. The Evaluation Team did not attempt to determine the desirable numbers or to describe the skills. For the University, the approach may be to have a trained nucleus in each department which can contribute to development problems. For Ministries, the target might be expressed in terms of a functioning unit to plan and coordinate research in each major department.

In late 1980, parties to the Project re-defined the end of Project status.

"Cairo University: For those departments which can contribute to the development goals of the government, a nucleus of faculty will have been trained through the Program, who will be able to continue similar activities with the Center.

GOE Ministries: In those ministries whose function addresses the development goals of Egypt, a nucleus of personnel will have been trained in planning and coordinating interdisciplinary and cooperative research. Organizational changes will have taken place which will facilitate usage of the research techniques and approaches emphasized by the Program.

Development Research and Technological Planning Center: A Center will have been established at Cairo University as a permanent mechanism to conduct applied research activities related to the priority requirements of Egyptian economic and social development. A solid administrative infrastructure will have been developed and maintained, which will be capable of managing several types of research and educational activities. The Center will have demonstrated its ability to attract substantial amounts of funding to support these activities."

In the opinion of the evaluation team, these definitions are less than useful. "Those departments..." are not defined; "a nucleus of faculty..." gives no indication of the numbers, kinds, levels for training which implies that no survey of faculty competence by department has been made; "In those ministries..." provides no sense of just who in the GOE is to be involved; "Organizational changes will have taken place..." gives no indication of just what the changes are much less just how the project intends to bring such changes about; "A solid administrative infrastructure..." is hardly an adequate description of what is to be achieved.

Not only were these guidelines inadequate, they were late in coming. In the opinion of the evaluation team, the usefulness of the above indicators and the tardiness accompanying their submission attest the indifference of all involved in dealing with the problem of institutionalization. More recently received indicators are given below.

6. Feasibility Issues: Schedule for DRTPC Self-Sufficiency and Indicators of Progress

The indicators of progress towards institutionalization have been divided below between those associated with the development of the DRTPC organization (administrative) and those associated with the DRTPC's research and educational activities (program). Establishing solely quantitative targets for numbers of people participating, courses or fellowships offered, or papers produced could easily become an end in itself and give misleading results. Quality must be the predominant characteristic in the establishment and evaluation of these indicators.

Administrative Indicators

- * Development of an organizational structure with the following major functional areas:
 - Administration, Personnel, and Legal Services
 - Public Relations Services
 - Accounting and Financial Services
 - Reports and Publication Services
 - Library Services
 - Computer Services
- * Clear delineation of responsibility and effective delegation of authority.
- * Establishment of and adherence to written administrative plans, policies and manuals. Evidence of internal review and revision on a periodic basis to provide maximum efficiency and responsiveness.
- * Evidence of effective recruitment, compensation and performance review procedures for administrative personnel.

Program Indicators

Relevance of Research and Educational Activities

- * Ministry incorporation of results and innovative research methodologies.
- * Willingness to provide follow-on funding.
- * Willingness to build on expertise, either through new areas of research by expanding the base of personnel or technical specialities within a ministry.
- * Establishment of regular and on-going training programs, both in terms of fellowships and short courses. Eagerness to participate and quality of final results.
- * Perception of the Center as an organization of excellence. Prestige conferred upon participants.
- * Continuity of support by Cairo University and Government of Egypt through administrative and political changes.
- * Evidence that a variety of institutional ties have been established, with an emphasis on quality and concrete results.

Attitude Change

- * Expanded base of involvement at Cairo University, new faculty members and new departments.
- * Continued utilization of new skills.
- * Increased base of involvement with the ministries.
- * Willingness on the part of Cairo University to take the initiative in proposing, designing, and implementing new activities.
- * Institutional changes made at Cairo University and ministries, following the example of the Center.

Effectiveness of the Center's Research and Educational Operations

- * Environment created which is conducive to research.
- * Establishment and proven effectiveness of quality control procedures in activity selection and operation.

- * Quality of activities for which outside funding is obtained.
- * Implementation of an efficient and responsive administrative infrastructure.

Financial Self-Sufficiency

- * Marketing plan developed and operational.
- * Evidence of different methods of identifying and successfully soliciting financial support.
- * Diversity and magnitude of funding: source, type and length.

Five major sources expected:

1. Grants from Egyptian government organizations for general training and administrative activities.
2. Grants from Egyptian government organizations for research and technical assistance programs.
3. Direct research contracts with Egyptian institutions
4. Direct research contracts with foreign institutions
5. Grants or endowments from international organizations.

Rather than focusing on a long-term detailed program for self-sufficiency, the Program has chosen to review progress of the Center in terms of these indicators on an annual basis, and at that time set specific objectives for the coming year. In this way, the Program has avoided becoming locked into directions that could prove to be unproductive.

In the opinion of the evaluation team, failure to focus upon and elaborate a long-term program for DRTPC self-sufficiency is a serious shortcoming. In the absence of some agreed upon "end state," reviews will necessarily be limited to measuring how far the program had progressed in any one-year period rather than how far the program has to go before reaching the self-sufficiency "end state". While the evaluation team acknowledges that many desirable events have occurred in the program, it is nevertheless unable to relate the accomplishments (or failures) to some agreed upon final status for the project. The evaluation team further believes that the single-year

strategy of measuring progress failed to take into account research and institutionalization efforts which might take more than one year to accomplish. While the evaluation team agrees that purely quantitative indicators of progress (e.g., numbers of people trained), are not sufficient alone, it does not agree that the Project's purposes were well served by avoiding the issue altogether. For example, the issue of funding sources is hardly well treated by limiting end of project status indicators to listing five possible sources of funds. Indeed, planning to date in the Project seems to suggest that designers believed that the funded demand for DRTPC services, in an amount sufficient to meet likely direct and indirect operating expenses in year "N", would automatically follow if the institutional supply side (e.g., DRTPC) was created. Evidence presented elsewhere in this evaluation suggests strongly that this assumption may be spurious if not fatal. Indeed, there is evidence from other similar centers around the world that failure to design supply services in rather strict conformity with demand usually results in the successful institutional operation where the organization dies. In the opinion of the evaluation team, far too little has been done to clarify useful end of project indicators, particularly on the income issue and what little has been done is too late to permit useful corrective action within the time limits of the current Project.

B. Recommendations for AID

The USAID, of course, will be responsible for deciding which of these recommendations it wishes to include in the project implementation order requesting a new contract and for overseeing the program during the next three years. Beyond that, the following recommendations are addressed specifically to AID:

1. Provide better backstopping for the program in the Near East Bureau of AID/W.

The most important period will be the next few months when the contract is being renegotiated. But some support will undoubtedly be needed during the life of the program. For example, assistance of AID/W will be needed to arrange for a connection between the Center and the National Technical Information Service of the Department of Commerce. There will be questions to answer for Congress and

2. Establish regular liaison between the USAID and the DRTF Center to keep it informed about USAID activities.

Dr. El Salmi, the Center Director, requested such liaison. It should be of mutual benefit and not require much effort. For some USAID activities, Center data will be helpful. In other cases, USAID consultants will produce development data which should go into the Center's library.

3. Improve the USAID efforts to keep AID/W well informed about project status

Field-headquarters communications are a continuing problem for most programs. The field project officer lacks time to do much reporting. Also, the tendency is often to guard against unwarranted second-guessing from headquarters. Nevertheless, the advantages of an informed headquarters justify extra effort. Perhaps the USAID can suggest to MIT ways to make the regular progress reports more useful. Or perhaps the USAID can use the occasion of the project reports to make a few brief comments of its own.

4. Arrange for the DRTF Center to be linked to the National Technical Information Service.

The NTIS is a program sponsored by AID/W for service to developing countries. The Center is interested in helping faculty members stay up to date and in providing data of use to researchers. When the Center receives NTIS accession lists, it will need to make some arrangements to inform its program coordinators and principal investigators so that they can select pertinent documents which the Center will request from NTIS."

It is reasonably clear that USAID/Cairo accepted all the recommendations of the 1980 evaluation. The 1980 Project Paper Amendment notes, "...activities will follow closely recommendations made by the evaluation team for emphasis on the institution building objectives and the phase-out of the direct AID-funded contract." (page 6) Regretfully, however, the revised contractor scope of work does not reflect the emphasis on institution building nor the desired detail recommended by the evaluation. For example, the 1980 evaluation strongly recommends that "the achievement of desirable elements of successful institutionalization is more likely if there is an overall plan with interim targets." It has not been developed. In short, it appears

that useful and accepted recommendations did not find their way into scopes of work. Consequently, as noted elsewhere in this report, the Project still labors under interim (one year) targets without benefit of having a plan for relating interim targets to some agreed upon end-of-Project status.

Regarding the improvement of informational linkages, the evaluation team was advised that they have been improved. USAID/C's Development Information Center (DIC) is available to the DRTPC. Through the DIC, copies of all consultant reports can be made available. The DRTPC has also received a list of shelf holdings in the DIC. The link between the DRTPC and the National Technical Information Service has not been formed. USAID/C staff advise that they have had no request to facilitate establishment of the link, but see no problems in doing so if and when a request is received.

"C. Recommendations for MIT

1. In collaboration with Cairo U and USAID, develop a three-year operational plan.

Annex A for the Project Agreement and the AID-MIT contract set some targets in terms of the number of research projects, the establishment of a Center and the general phasing of the budget. This was adequate for Part I of the contract. For Part II, however, the achievement of desirable elements of successful institutionalization is much more likely if there is an overall plan with interim targets. This should be developed in collaboration with Cairo U and the USAID. Such collaboration will take some time but will add to the realism of the plan and increase the chances of success.

This operational plan should start with the end-of-project status described in the second general recommendation above. It should then delineate current status for each indicator of success. It should then lay out a strategy and tactics for progressing from current status to desired end-of-project status. Interim targets and budget can then be set.

MIT has devised a number of proposals for new activities, such as short-term (3 month) research projects, support and supervision for Cairo U theses, graduate fellowships. It has worked out unit costs, proposed volume, and total cost for each of these proposals. However, none of them have been related to specific program objectives in more than a general way. Nor have these supplemental activities been integrated with the training expected from continuation of current research projects. A good operational plan consists of more than a set of independent activities.

The next four recommendations deal with particular aspects of a total operational plan.

2. Set targets for numbers and types (disciplines) of Cairo U and Ministry personnel to attain capability in interdisciplinary and collaborative solving of development problems.

One of the most important aspects of end-of-project status will be faculty members of Cairo U who are well trained in planning and managing research projects. In addition to these general skills, MIT and Cairo U planners may decide that some people will need some special skills in such subjects as sampling, questionnaire design, computer programming, etc.

When the targets are determined, MIT and Cairo U should then plan how they will be achieved—some will learn from on-the-job experience in the conduct of research projects with MIT colleagues or with more experienced Cairo U colleagues; some will learn from graduate work at MIT; others will have supervised theses at Cairo U; special short courses will supplement such experience, etc.

It will also be desirable to develop similar targets for particular Ministries and then make plans for achieving them.

3. Add more formal training.

In the first part of the contract four workshops were held. Each of these dealt with particular substantive topics - polymers, water resource systems, reliability of electric power systems, and housing materials. Also there have been short courses on such special subjects as stochastic principles, computer programming, weighing and measuring babies, and administering village questionnaires.

Some of the Principal Investigators suggested that more general short courses would be useful. They specifically mentioned a course on proposal writing and on budgeting for research projects. Perhaps such courses could be developed in a way comparable to that used for the training on stochastic principles, which was given jointly by MIT and Cairo professors. When such courses are developed, they should be given several times, for faculty not yet engaged in research projects and for faculty of other universities (see also recommendation #6 for the DRTP Center).

3. Adjust MIT project support to the phase reached by each research project.

The phasing out of support as research projects gain maturity in an institutional sense, including the possibility of support from Ministries, is an important characteristic of an institution-building project. The criteria for support are not identical to those of projects for which research is the only purpose.

4. Gradually merge the functions of research management and logistic support performed by the Liaison Office and the DRTP Center (except the Liaison Officer functions of financial accountability for MIT).

The desirable situation will be a single organization providing contact with Ministries, assuring good quality of research, and serving research teams. For the duration of the MIT contract, a partnership should function, with researchers informally exchanging ideas regardless of the source of funding for their activities. When MIT faculty members come to Cairo, they should drop in on the Center director and also talk with the pertinent program coordinator. In an informal way, they can be useful for commenting on project proposals and research methods. The bi-weekly meeting for Principal Investigators should include investigators for both Center and MIT projects.

The merging of individual functions need not happen at the same time for each function but can proceed as seems most convenient and practical.

It is recognized that for reasons for financial accountability, MIT will need to continue to have a Liaison Officer who signs checks. Whether this also

necessitates a separate accounting unit is not certain. It is possible for a single accounting unit to maintain two or more sets of accounts, one for each kind of fund.

6. Coordinate total MIT program.

All the separate activities under the MIT program should contribute to achievement of the overall purpose of institutional capability. Then each research project should be monitored from the point of view of what it is doing to enhance improved research planning and management and to train people as well as what research results it is achieving. When a training activity is prepared for one project, consideration should be given as to whether it should be opened to others. Just as Cairo U investigators should meet from time to time in order to consider progress toward the overall purpose and to exchange information on actions employed to enhance institutional capability."

No clear and definitive operational plan was developed for the final three years of the current Project. While MIT did submit an operational plan to achieve institutionalization with its Semi-annual Progress Report for April 1981, this plan, in the opinion of the evaluation team, is at best only marginally useful. It does not describe the nature of the final self-sustaining institution, is non-quantitative, does not assign responsibility for assuring that desired events occur, gives no clear idea of the process for phase out, does not differentiate between essential events and peripheral ones and gives no indication whatsoever of what might be done if one or more of the events did not occur. In short, the operational plan is not a plan at all. The evaluation team feels strongly that this three year plan, perhaps better than anything else, demonstrates that the issue of institutionalization has received far less than adequate attention. One could have expected that the process of institutionalization lent itself to Critical Path analysis - i.e., some accepted analytical format devised for laying out events, sequence, etc. Furthermore, the plan says nothing at all about the nature or level of expertise required in client Ministries, which seems to confirm the evaluation team's belief that efforts have centered around organizing the supply side on the assumption that demand would and could follow.

Even though the program has not benefitted from an overall three year operational plan, it would be a mistake to suggest that there has been no progress on developing the DRTPC institution. The evaluation team found clear evidence of broadened support in both Ministries and Cairo University. The development of an organizational chart for the DRTPC, job descriptions for all staff, the merging of the liaison office into the DRTPC, merging of payrolls, and development of the computer center, all attest vigorous activity related to developing the DRTPC as an independent functioning organization. Laudable as such efforts have been, it is perhaps fair to speculate on how much more might have been accomplished had such work been guided by an overall development plan. In short, the evaluation team is satisfied that commendable progress has been made, but more, perhaps could have been achieved over the same time period had there been better and more precise planning at the outset. Had a plan been developed in 1980, there would have at least been some blueprint for action during the almost two year period of leadership hiatus. For example, if for some reason research lagged, emphasis might have been shifted to training; if both lagged, then perhaps emphasis could have been directed to up-grading Ministerial staff. In the absence of having some end of project indicators and a long-term (3 year) plan for getting there, alternative interim strategies reflecting constraints were not developed. The evaluation team believes that failure to develop a long-range three year plan was the most serious oversight in project activities to date.

"D. Recommendations for the DRTP Center.

1. Over the long run, the Board of Directors should become more representative of the organizations to be served by the Center. Although the Center is properly a part of the University, it exists to facilitate cooperation with Ministries. It must obtain money from Ministries to support research and training activities. Then it must assure a high quality of performance so that continuing funds will be forthcoming. With such an orientation, the Center will be well served to have the viewpoint of its clients well represented on its Board. At present, its only client Minister, Dr. Abdel Razzak Abdel Meguid, has broader responsibilities as a Deputy Prime Minister.

2. Organize Center with three divisions: Training, Research and Administration

If the Center evolves as now appears likely, with an ambitious management training program, there is some danger that research would receive inadequate attention as more of the time of the Director and of the administrative staff was devoted to arranging and conducting training sessions. To help assure effectiveness in each of the functions, it would be desirable to organize three main divisions within the Center. Training activities could be headed by a training specialist, research activities by a scientist, and administrative activities by a manager.

3. Adapt Liaison Office procedures with modifications to fit Egyptian needs.

As the functions of the Liaison Office and Center are gradually merged (see recommendation #5 for MIT) careful analysis will be needed about the rationale and effects of various procedures. Sometimes they exist to assure accountability. Sometimes they are a means to obtain professional judgment and thus enhance quality control. An example may be some of the clearances by the Executive Committee. Careful attention to budgeting may often be regarded as a way of encouraging systematic planning and management of research projects.

However, some of the current forms and procedures may be necessitated by rules of MIT or AID. These may need to be modified to fit Egyptian rules

The point for an organization like the Center which serves research projects is to devise the proper balance. On the one hand, procedures should be simple and rapid. On the other hand, procedures should encourage careful planning, sound management, and high quality. In the long run, the reputation and success of the Center will depend upon research results which are useful to Ministries.

4. Formalize criteria and procedures for project selection and quality control.

The Center probably should not accept every contract which is proposed or offered. Possible reasons for refusal might include irrelevance for

development, lack of a researchable hypothesis to solve a problem, inadequate budget or time to produce a satisfactory research result, lack of qualified faculty researchers for the problem (even if faculty are recruited from other universities), or lack of a Ministry liaison office with sufficient authority. Other reasons for refusal may also occur to the Board of Directors. Refusal will be easier if criteria are written and known in advance. Then it will be easier to resist political pressures or to negotiate for a more adequate budget.

An important aspect of project selection is to assure that the problem has been clearly identified and that the client Ministry and faculty researchers are agreed about its nature and the method of attack. Also, before a contract has been agreed upon, professional review of a proposal is needed to consider not only the methodology but the realism of the estimated man-days and costs.

For Cairo U/MIT projects, at least at the beginning, total funding came from A.J.D. Budgets by the Principal Investigators were necessary, but the Ministries were concerned more with the relevance of the research than with its cost. Now as the Ministries agree to pay for contracts, a new element has been added. Previous experience of Ministries with consulting contracts may be analogous but is not exactly the same.

A common practice for research organizations is to set up one or more review committees composed of knowledgeable professional personnel who are not themselves personally involved in the proposal being reviewed. Such a review serves several purposes. It protects the researcher against starting a project without thinking about some key aspect. It protects the head of the research organization from a project which may incur a deficit or fail to fulfill its promises. It protects the client agency against wasting research funds on activities with slight chance of success.

Thus, the Center would be well advised to set up special committees and formal procedures for review of proposals, for checking on research progress, and for approving final reports. Having the review committee separate from the Program Coordinators would have some advantages. The coordinators will be busy promoting and negotiating - they may not have time for review. Also the coordinators will be personally involved with some proposals.

With formal criteria and formal procedures, the Center will build a reputation for quality which will create demand for its services and facilitate a sound financial operation for itself and, through its payments of overhead costs, a financial assistance for the University in general.

5. Use MIT personnel as consultant to the DRTP Center.

Dr. El Salmi and some of the Program Coordinators have both suggested that they would appreciate being able to receive advice from MIT professors about various problems such as proposals for new projects, devising or modifying a research approach, reviewing research results, etc. Such involvement by MIT people would be consistent with the philosophy of transition in the type of technical assistance. That is, as institutional capability of Cairo U and the Center progresses, MIT's role should evolve from full participation in research teams to that of monitor and consultant.

Some of the consultation can occur on an informal basis as MIT Principal Investigators are in Cairo for their own projects. In addition, there probably should be some provision for consulting time in the program plans and budget. MIT professors will want such time to count as part of their required fifty-percent of their time for research. This can probably be arranged, with the work to help the Center being considered an outgrowth of one of the Cairo U/MIT research projects or being considered as research supervision.

It is assumed that MIT personnel are experienced enough in this kind of consultation that they will not let the Center personnel use the consultation as a way of avoiding responsibility for decisions.

6. Sponsor training for Cairo U investigators in various aspects of research methodology.

Recommendation 3 for MIT called for more formal training. All such short courses should be given under the sponsorship and administrative control of the Center. Courses which may be developed jointly by MIT and Cairo U personnel and given jointly in the beginning will eventually become all-Egyptian. As such, they may continue to be given under Center sponsorship or elements of some courses may become part of the curriculum of various faculties. An

aspect of institutionalization will be regular, continuing training of graduate students at Cairo U in various up-to-date aspects of research methodology. Then the Center may wish to concentrate its efforts on elements of most importance for its own operations, such as proposal writing, budgeting or management of research teams.

7. Recruit faculty from other Universities when needed.

The comment in Chapter V on lack of academic manpower suggested several ways to cope with the problem. The easiest in the short run will be for the Center to recruit faculty from other universities as part of the teams it organizes to respond to Ministry needs. Such inclusion of faculty members from outside Cairo U will have another advantage - it will help, in a small way to spread the influence of the Cairo U/MIT project and be a first step toward replication of the procedure of mixed academic-government teams to solve development problems.

8. Establish a policy on patents for inventions resulting from the Center projects.

One of the Cairo U/MIT research projects, rural communications, has resulted in two inventions. Thus far no effort has been made to obtain a patent on the new devices. The Principal Investigator, Professor Kamal, is also a director of Benha Electronics, which is manufacturing the prototypes. He believes that he has an informal agreement that Benha will pay royalties to the DRTP Center if manufacture is undertaken after the experiment.

In other parts of the world, policy on patents has been a major problem for research organizations. Policies followed vary greatly. Some release the inventions to the public. Some allow an individual researcher to obtain a patent and receive royalties. Some reserve the right to patents and royalties for the research organization, with the theory that the work was usually done by groups which could not have functioned without support of the organization.

The Board of Directors may wish to establish a policy to be followed for inventions resulting from Center projects.

9. Investigate follow-on funding from UN sources for projects of strong interest to other nations.

Various aspects of current or future research projects may be of interest to non-Egyptian sources of funding, as has been illustrated by the ITU contract for a report from the Rural Communications project. Two aspects of the work on water resources, would appear to be of possible interest to UN sources since they involve international resources. These are the Nubian Aquifer and the Upper Nile."

Much has been done to develop and/or improve the organizational structure of the DRTPC. The Board of Directors has been expanded. The Minister of Electricity joined the Board in mid-1982 and two additional Ministers have just joined the Board. The entire CU/MIT Executive Committee has been appointed to the Board of Directors assuring closer cooperation between the CU/MIT Program and the Center.

The Center was re-organized in May 1982 in conformity with the evaluation guidelines. Research areas are being assigned to Program Coordinating Committees each chaired by the Director of the Center. A Fellowship Director has been appointed and charged with developing and implementing the Center's overall instructional program.

A Personnel Policy and Procedures Manual has been completed and replaces the old Liaison Office Manual. A manual of accounting procedures has been developed and is being implemented in stages.

Definite and positive steps have been taken to formalize criteria and set project selection and quality control. The Center reviewed its existing research at the time of the reorganization which started in March 1981. Several projects (which had been funded internally) were phased out because they were considered inappropriate [e.g., had cost overruns which could not be justified]. New proposals for research contracts are now reviewed by the Center Director and by the Board of Directors, who apply the following criteria:

1. The academic/educational content must be of a high level; for example, the work should involve the development and application of advanced analytical techniques, or the improvement of existing technical standards. Where possible, the work should contribute to the development of new expertise within the Center.
2. The subject area must be consistent with the focus on technological and socio-economic development established by the Center.
3. The Center must possess the necessary staff and qualifications to perform the work outlined within the time frame and budget specified.

The current members of the Board of Directors possess an impressive amount of experience in conducting and administering research, both as individual researchers and as the heads of important academic and government organizations. For example, one member is a former Rector of Cairo University, former Minister of Education and Scientific Research, and former President of the Egyptian National Academy of Scientific Research. Five of the six have been involved with the program since its inception, and their long term commitment has been a strong factor in the Program's success. The Board, therefore, will insure that quality control is maintained. The establishment of criteria for quality control will evolve as more experience is gained.

While the evaluation team believes that the adoption and use of the above criteria is a definite and positive step in the development of the Center, there is the possibility that the criteria should be re-examined in the light of likely resource flows into the Center. At the present time the CU/MIT portion of Center activities appears to dominate in the development of projects. Furthermore, the CU/MIT program is largely limited to the expertise available, first at MIT and secondly at CU. While there is no doubt that the quality of that expertise is of the highest order, it nevertheless limits the response capacity of the Center at the very time that it may need to reconsider the need for expanding its client base for the purposes of securing needed resources.

At the present time there is no formal program for promoting the participation of other Egyptian universities. The limited involvement of other Universities which has taken place has occurred when Principal Investigators have identified appropriate individuals. The extent of this outside involvement is given in Table 6. No policy on patents for inventions resulting from the Center's work has been established. The evaluation team is satisfied that the management of the Center is continually soliciting funding from outside resources including the UN.

TABLE 6

INVOLVEMENT OF OTHER EGYPTIAN UNIVERSITIES IN CU/MIT RESEARCH PROJECTS

<u>Project</u>	<u>Other Universities Involved and Nature of Involvement</u>	<u>Potential Involvement</u>
Intercity Transportaton	One faculty member from Assiut University is a paid member of the team.	Similar involvement expected
Stochastic Models of Nile Inflows to Lake Nasser	None	Alexandria - potential involvement in other projects to be conducted in the DRTPC
Water Resource Planning Models	Representatives from Ain Shams, Alexandria, and Assiut has participated in conferences. Zagazig has been consulted in water allocation study.	Similar involvement expected
Resource Development and Policy: Petroleum	One faculty member from Mincufiya University is a paid member of the team, chosen for special interest in petroleum and operations research	Similar involvement expected
Urban Infrastructure Alexandria-	None	Ain Shams and potential involvement in other projects to be conducted in the DRTPC
Auto Production Planning	None	Potential for participation by Ain Shams and Alexandria

APPENDIX I

DRTPC FINANCIAL BREAK-EVEN ANALYSIS

Projections Based on November 24, 1982 Final Draft Proposal
All Figures in LE 000

CASE #1 ANALYSIS

1. Assumption

- (1) Total indirect costs are constant
- (2) Allocated Direct costs are escalated
- (3) Ratio of Fixed Costs is constant $1185/1446^* = 82\%$
Variable Costs

2. Background Numbers

1982/83

Total Cost Analysis

Indirect Cost 580
Allocated Director Cost 605

Total of Indirect and
 Allocated Direct Costs
 (DRTPC Fixed Cost) 1185

+ Other Direct Cost
(DRTPC Variable Cost) 1446
 = Total Cost/Volume 2,631

Volume Distribution

AID 2551
Other 80
 Total 2631

3. Case #1 Analysis

1982/83 1983/84 1984/85 1985/86 1986/87

Total Cost Analysis

Indirect Cost 580 580 580 580 580
Allocated Direct Cost 605 640 675 700 735
 1,215

Total of DRTPC Indirect
 and Allocated Direct
 (DRTPC Fixed Cost) 1,185 1,220 1,255 1,280 1,320

+ Other Direct Cost
(DRTPC Variable Cost) 1,446 1,488 1,530 1,561 1,880

Total Cost/Volume 2631 2,708 2,785 2,841 3,200

Volume Distribution

AID 2,551 2,286 2,039 1,083 0
Other 80 422 746 1,758 3,200
 Total 2631 2708 2785 2841 3200

*Assume that the source of the direct cost is mainly from USAID (1396) with only small amount (50) from other DRTPC projects.

APPENDIX II
Projections Based on November 24, 1982 Final Draft Proposal

All Figures in LE 000

CASE #2 ANALYSIS

1. Assumptions

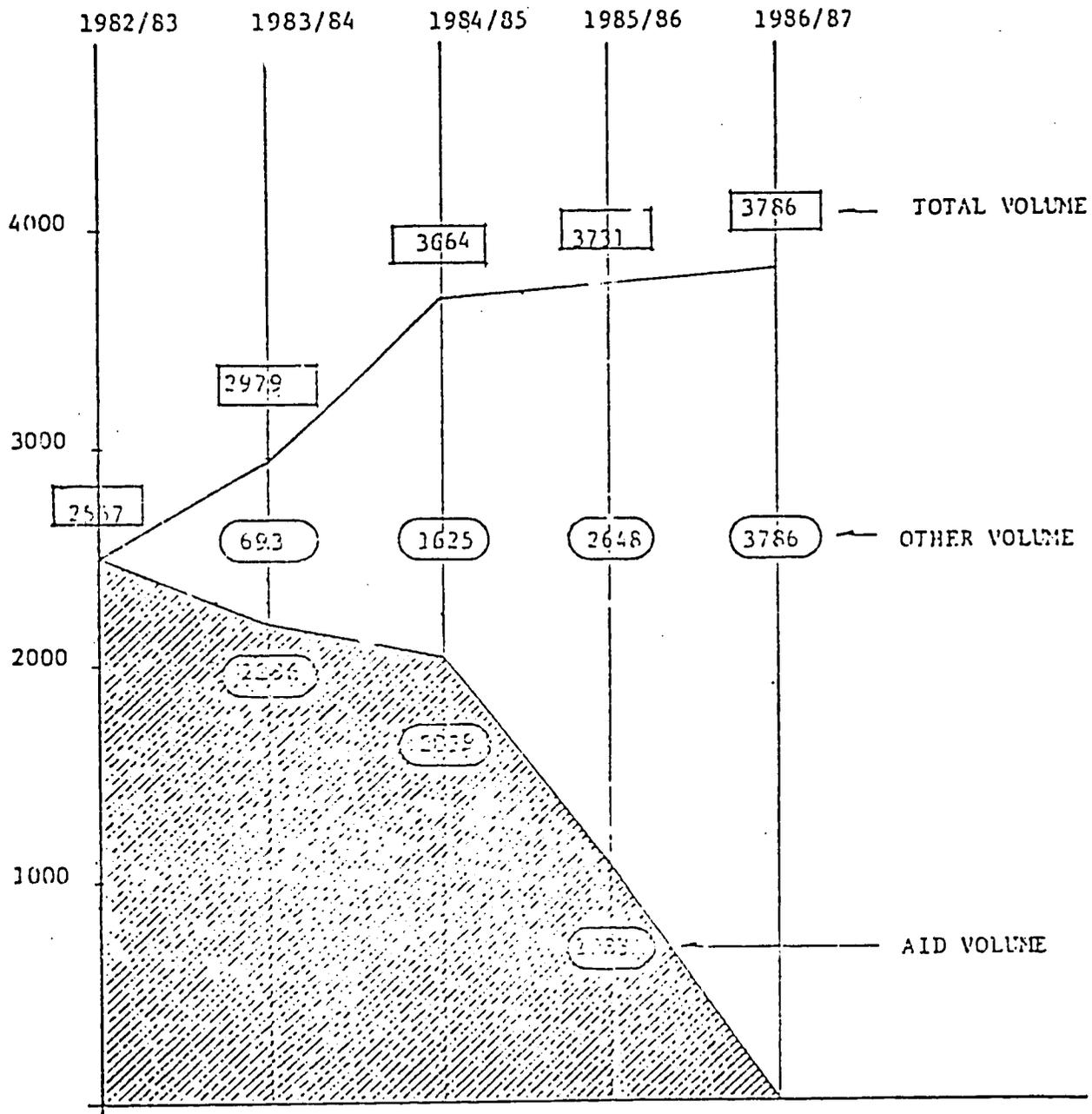
(1) Ratio of Allocated Direct Cost is constant = 30%
Other Director Cost

(2) Indirect Costs are variable (30%)

<u>2. Background</u>	<u>1982/83</u>	<u>1933/84</u>	<u>1984/85</u>	<u>1985/86</u>	<u>1986/87</u>
<u>AID</u>					
Allocated Direct Cost	605	497	360	184	0
<u>Other Direct Cost</u>	<u>1,396</u>	<u>1,239</u>	<u>1,149</u>	<u>632</u>	<u>0</u>
Total Direct Cost	2,001	1,736	1,509	816	0
<u>Indirect Cost</u>	<u>550</u>	<u>550</u>	<u>530</u>	<u>267</u>	<u>0</u>
Total Cost	2,551	2,286	2,039	1,083	0
<u>3. Case # 2 Analysis</u>					
<u>Other</u>					
Allocated Direct Cost (30%)	0	123	277	470	672
<u>Other Director Cost</u>	<u>0</u>	<u>410</u>	<u>923</u>	<u>1,567</u>	<u>2,240</u>
Total Direct Cost	0	533	1,250	2,037	2,912
<u>Indirect Cost (30%)</u>	<u>0</u>	<u>160</u>	<u>375</u>	<u>611</u>	<u>874</u>
Total	0	693	1,625	2,648	3,786
Total AID Volume	2,551	2,286	2,039	1,083	0
<u>Total Other Volume</u>	<u>0</u>	<u>693</u>	<u>1,625</u>	<u>2,648</u>	<u>3,786</u>
Total Volume	2,551	2,979	3,664	3,731	3,786
Total Allocated Direct	605	620	637	654	672
Total Other Direct (AID)	1,396	1,239	1,149	632	0
<u>Total Other Direct (Other)</u>	<u>0</u>	<u>410</u>	<u>923</u>	<u>1,567</u>	<u>2,240</u>
Total Other Direct	1,396	1,649	2,072	2,199	2,240
Total Indirect Cost (AID)	550	550	530	267	0
<u>Total Indirect Cost (Other)</u>	<u>0</u>	<u>160</u>	<u>375</u>	<u>611</u>	<u>874</u>
Total Indirect Cost	550	710	905	878	874

*From December 29, 1982 De Pass Memo.

CASE 2



APPENDIX III

Evaluation Team's Calculation of Research/Services
Volume in the DRTPC Sufficient to Meet Core Costs^{1/}

To gain insight into the rate and director of DRTPC fiscal self-sufficiency, direct and indirect core costs were projected until 1986/87 (Table 1). Base year figures were provided by CU/MIT and modest inflation factors were used. Income from the CU/MIT Project was projected (Table 2) and differences between it and total core costs plotted until 1986/87. Table 3 projects total actual income stream and compares actual projected income to pound volume of research required to meet the short-fall in core costs. It was assumed that the DRTPC would charge a 30% overhead rate.

The projection of income from non-project sources is conservative and reflects no increase in the volume of DRTPC research; i.e., for all years LE 192,000 is used. We understand that the DRTPC is likely to have a substantially larger service portfolio and that part of it is currently being negotiated. Finally, Table 4 graphs total projected core costs, the difference between project core costs and projected income and the total volume of research that must be produced to generate enough overhead (at 30%) to meet projected core cost short-fall. In-kind contributions from GOE Ministries are not included in calculating income to be used in meeting DRTPC core costs. While important to the operation of joint research projects, they cannot be used to defray core costs at DRTPC. Furthermore, the projections do not deal with the use of surplus funds (i.e., income exceeds costs), but assume that such funds would be used to cover deficits in subsequent years or would be set aside as a reserve for "lean" periods.

^{1/}Core Cost = Fixed Costs

The graph suggests that the DRTPC will shortly face considerable resource constraints sufficient, perhaps, to thwart the perpetual institutionalization of the DRTPC. While not wishing to attribute absolute accuracy to the figures in the charts, the relationship between expenses and income is undeniable. While the evaluation team understands that new research contracts are in the offing, it is alarmed to note that from an existing level of non-project funded research of about LE 192,000 in 1982/3, income from non-Project research and services must increase approximately twenty-one times by 1986/87 (LE 4,200).

APPENDIX III

TABLE 1

DRTPC COSTS (Core)

NOTE: Base year figures from MIT proposal (000's)

<u>ITEMS/YRS</u>	<u>1982/3</u>	<u>1983/4</u>	<u>1984/5</u>	<u>1985/6</u>	<u>1986/7</u>	<u>REMARKS</u>
1. Staff ¹	LE 193	LE 208	LE 224	LE 240	LE 260	10% inflation p.a.
2. Direct Exp.	175	193	212	233	256	10% p.a.
3. Computer	267 ²	125	84	41	42	From MIT (no inflation factor)
4. Dep Comp ³	13	17	21	22	20	10 years
5. Library	50	55	61	67	74	10% p.a.
6. Dissem Conf	20	22	24	26	29	10% p.a.
7. Dep other	5	6	7	8	9	10 years
8. Proposals	<u>13</u>	<u>25</u>	<u>38</u>	<u>19</u>	<u>19</u>	Assumes 50% proposals not funded under contracts.
Total Direct	736	651	671	656	709	
Total Indirect	585	490	539	523	655	
Total Core Cost	<u>LE 1,321</u>	<u>LE 1,141</u>	<u>LE 1,210</u>	<u>LE 1,249</u>	<u>LE 1,362</u>	

¹ Include 10% P.A. inflation for most salaries; insurance costs calculated at different rate.

² The figure for 1982/3 is high because it includes an LE 100,000 one-time expense for the installation of a non-interruptable power supply to support the computer facility.

³ Depreciation for furniture is contained in the indirect cost figures. No allowance for depreciating the computer or equipment appears to have been made in the new proposal.

APPENDIX III

TABLE 2

DRTPC INCOME FROM PROJECT TO MEET CORE COSTS
(000's)

<u>Sources/Years</u>	<u>1982/3</u>	<u>1983/4</u>	<u>1984/5</u>	<u>1985/6</u>	<u>1986/7</u>	<u>REMARKS</u>
1. Direct Cost						
A. Charged to CU/MIT Conf.	LE 718	LE 522	LE 399	LE 203	---	
2. Indirect Costs to C.U.						
A. Charged to CU/MIT Conference	550	490	539	550	---	See H. MIT Proposal
Total Income from Contract for core costs. ¹	1,268	1,012	938	753	---	
Diff Project Income/Total Core Cost (Table I)	-53	-129	-272	-496	-1,362	

¹ Actual total CU/MIT Project funds available to the DRTPC are LE 2,551,000 for 1982/3, falling to LE2,286; LE2,039 and LE1,083 for the years 1983/4, 1984/5 and 1985/6, respectively. In the the above calculations, only those funds being applied to meet core costs have been used. For example, CU/MIT Project funds to support instruction are not used because the activity is to be totally paid for by clients in the future, just as it has been paid for out of Project funds. The cost of the Instructional Coordinator is allowed for in salary core costs.

APPENDIX III

TABLE 3

EXPECTED INCOME SOURCES FROM ALL RESEARCH & SERVICES
(000's) pounds

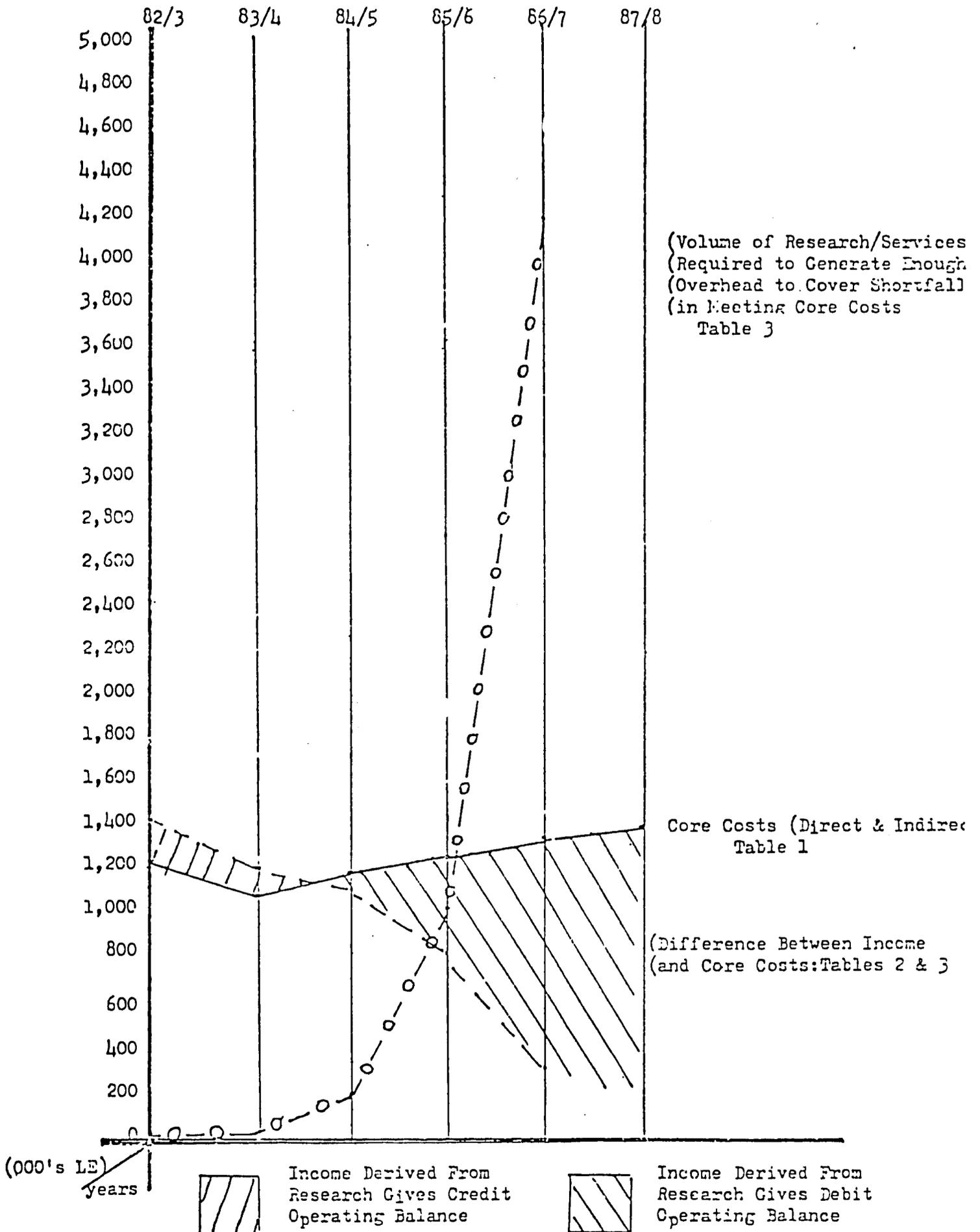
<u>Sources/Years</u>	<u>1984/3</u>	<u>1983/4</u>	<u>1984/5</u>	<u>1985/6</u>	<u>1986/7</u>	<u>Remarks</u>
I. CU/MIT Res	IE 566	LE 471	LE 377	LE 188	LE -	
Outside Res.	192	192	192	192	192	1982/3 Vol. Constant
II. 30% of I.	227	199	171	114	58	Assumes a 30% overhead rate on all res. contracts.
III. Computer Services	25	50	50	50	50	Assumes some non-research project service sold
Total Expected Income II & III	252	249	221	164	108	
Difference Between Income/Amt. Required to Meet Total Costs (from Table 2)	+199	+120	-51	-352	-1,254	

LE Volume DRTPC research to meet short-falls ¹

	0	0	170	1,100	4,200
--	---	---	-----	-------	-------

¹At 30% overhead.

DRTFC CORE EXPENSES/INCOME X YEARS



APPENDIX IV

DRTPC RESEARCH PROJECTS

<u>Project</u>	<u>Principal Investigator</u>	<u>Sponsored By</u>
Studies of the Central Nasr & Gasr El Suez Workshops	Dr. M. El Alaili Fac. of Engineering	Cairo University
Study of the Cement Market in Egypt	Dr. Atef Ebeid Fac. of Commerce	Egyptian Cement Office
Design & Mechanization of Financial and Managerial Systems of the Family Planning Organization	Dr. Abdel M. Mahmoud Fac. of Commerce	Family Planning & Population Agency
Education Information Systems	Dr. Ahmed Omar Fac. of Economics	Ministry of Petroleum
Replanning & Development of El Fayoum City	Dr. Taher El Sadek Inst. of Planning	El Fayoum Governorate
Study of the Sinai Society and its Structure, and Preparation of a Structural Plan for Sinai Peninsula	Dr. Sobhi Abdel Hakim Faculty of Arts Dept. of Demography	Ministry of State for Scientific Research
Structural Planning for El Amal City	Dr. Ahmed Yousry* Fac. of Engineering Dept. of Architecture	General Authority for Roads and Bridges
Optimum Policies for Maintenance of Delta Paved Road Network	Dr. Mohamed El Hawary* Fac. of Engineering Dept. of Public Works	General Authority for Roads and Bridges
Planning and Design of Youth Villages	Dr. Ahmed Yousry* Dept. of Architecture	Ministry of Housing & Reconstruction
Economy Wide Modeling & Social Accounting Matrix Updating Project	Dr. Amr Mohie-eldin* Fac. of Economics	USAID and the World Bank

* Affiliated with CU/MIT Program

APPENDIX IV (Cont.)
DRTPC RESEARCH PROJECTS

<u>Project</u>	<u>Principal Investigator</u>	<u>Sponsored By</u>
Employment of Women: Patterns and Demographic Change	Dr. Amr Mohie-eldin* Fac. of Economics	International Labor Organizations and United Nations Fund for Population Activities
Study of Manpower Demand at both Occupational and Sectoral Levels	Dr. Amr Mohie-eldin* Fac. of Economics	Ministry of Planning
Economic, Social and Cultural Characteristics of Egyptian Pilgrims (Hajj Project)	Dr. M. Zaki Shafei* Fac. of Economics	Pilgrimage Research Center University of King Abdel Aziz Jeddah, Saudi Arabia
Development of Pharma- ceutical Chemical System	Dr. S. Balbae Faculty of Medicine	Ministry of Health
Performance of Paraffinic Asphalt-Cements in Road Construction	Dr. Abdelmoneim Osman* Faculty of Engineering Dept. of Civil Eng.	Central Authority for Roads and Bridges The Arab Contractors The Nile Company for Roads and Bridges El Nasr Contracting Co. The Nile Company for Road Construction The Nile Co. for Desert Roads The Nile Company for Construction and Paving
Guidelines for Urban Area Planning	Dr. Mohamed Yousry* Faculty of Eng. Dept. of Architecture	General Organization for Physical Planning
Protection of the Open Railway Connection Serving Abou Tartour Phosphate Mines from the Danger of Floods	Dr. Halim Salem* Fac. of Engineering Dept. of Irrigation & Hydraulics	Ministry of Transport and Communications
Real Time Forecasting and Control of the High Dam	Dr. Halim Salem* Fac. of Engineering Dept. of Irrigation & Hydraulics	Ministry of Irrigation, Water Master Plan

* Affiliated with CU/MIT Program

APPENDIX V

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Dr. Hassan Ismail, C.U.
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Dr. Salah Shahbender, C.U.
Dr. Ahmed M. Shawky, Ministry of Transport
General Mandouh Hassan, DRTPC/C.U.
Dr. Hisham El Sherif, DRTPC/C.U.

ANNEX II

CU/MIT Revised Proposal December 23, 1983

CU/MIT Strategic Operating Plan July 1983

Revised

December 23, 1983

CAIRO UNIVERSITY/MASSACHUSETTS INSTITUTE OF TECHNOLOGY
TECHNOLOGICAL PLANNING PROGRAM

PROPOSAL

FOR

INSTITUTIONAL PHASE

OF

DEVELOPMENT RESEARCH AND TECHNOLOGICAL PLANNING CENTER

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2. Proceedings of the Fifth Anniversary Symposium of the Cairo University - Massachusetts Institute of Technology Technological Planning Program." January 24, 1982	
3. Development Research and Technological Planning Center Newsletter, December 1982.	
4. Organization Plan for the Development Research and Technological Planning Center, May 1982	

1. Purpose

To cooperate through a collaborative use of expertise from MIT, Cairo University personnel, and personnel from development oriented ministries to strengthen Egypt's planning, analysis and project development processes. To assist in the institutionalization of the Development Research and Technological Planning Center (DRTPC) at Cairo University to create a permanent framework for this effort.

2. Statement of Problem

Beginning in 1973, as a result of substantial political and social transformation, the Government of Egypt assumed an increased responsibility to plan and execute programs that would contribute to its national development. The commitment to substantial, long-term economic assistance from the United States and other external sources brought major pressure on Egyptian ministries responsible for these programs. Early contacts between United States and Egyptian cabinet members identified limited capabilities in project design, analysis and implementation as a major obstacle in providing development assistance to Egypt.

The development of systematic methods of analysis for technical development programs has been the outgrowth of research efforts at many universities and research organizations in the United States and abroad. The state of the art reflects an interdisciplinary approach in which identifying the "appropriateness" of the available technological alternatives is a prime requirement. The economic evaluation of these choices depends on the structure of social cost/benefit analysis. Other economic and social science analyses focus on the impact of these technological choices on development processes and on the impact of development strategies on social and cultural characteristics of the society.

In addition to the broad range of technical expertise available in the U.S. academic community, the capability for training in methodologies relevant to development planning was well-developed. MIT, for example, had in the past supported a range of educational programs with and in developing countries specifically directed at improving the skills of present and future decision-makers. Many of these had been organized through existing academic institutions in the cooperating country or through new institutions developed expressly for this purpose. Cairo University, as the preeminent academic institution, not only in Egypt, but in the entire Arab World, with extensive formal and informal relations with government agencies, was in an excellent position to support a program of research and training aimed at strengthening the planning capability of these agencies. Utilization of the combined resources of MIT and Cairo University appeared to provide the most effective means of providing technical expertise and institutional support for rapid and sustained expansion of development planning capabilities in Egypt.

3. Scope and Accomplishments of the Program to Date

To explore the feasibility of providing academically based technical assistance to Egyptian ministries and other government agencies, in December 1976 USAID funded the Cairo University/MIT Technological Planning Program, which had as its principal objectives:

- * Mobilization of academic interest in research on specific development plans.
- * Organization of technical research in collaboration with Egyptian government ministries.
- * Establishment of an institutional framework under Cairo University auspices capable of mobilizing development research and educational activities of Cairo University faculty, staff, and students.

To achieve these objectives a series of activities was initiated, including:

1. A set of collaborative research projects among faculty members of Cairo University, MIT and appropriate Egyptian government agency and ministry representatives.
2. Educational exchange opportunities, through which Egyptian participants would come to MIT for special research-related instruction as well as for extended programs.
3. A series of conferences, workshops, seminars, and short courses focused on Program research activities and findings.
4. Establishment of a CU/MIT Liaison Office at Cairo University which would serve as an administrative model for a permanent institutional structure.

During the first few years of the Program, the long-term joint research projects were the primary focus of Program efforts, in order to prove the feasibility of the collaborative approach between Cairo University and the ministries. These efforts had the following objectives:

1. Solution of pressing problems facing the ministries, and institutionalizing the relevant project evaluation skills and research methodologies necessary for continuation of similar efforts.
2. Orienting faculty members toward research related to national goals. Familiarizing them with contract research and collaborative research with ministries and other organizations.
3. Convincing ministries that the resources of Cairo University could be used effectively to meet some of the development needs of Egypt, and creating an environment within the ministries whereby these resources could be used productively.

4. Developing marketing skills among Cairo University faculty members in order to obtain follow-on funding for continuation of the efforts begun under the CU/MIT Program.

Over the five years of Program effort there have been significant changes in the long-term research, which indicate progress toward institutionalization of the effort at Cairo University:

1. Some faculty and projects have obtained new sources and/or additional funds.
2. The number of faculty and ministry personnel involved has increased and changed.
3. The division of research effort has shifted toward the Egyptian participants and away from MIT.

At the start of the current contract (October 1980), following an evaluation of the Program by USAID, several "new initiative" activities were implemented to increase the base of involvement at Cairo University and the ministries, and to broaden the scope of the educational activities. These were:

1. Fellowship awards at the postdoctoral level for junior faculty at Cairo University, to encourage their participation in research projects focused on important development areas.
2. Fellowships at the doctoral level to provide support for graduate students at Cairo University writing their theses on topics of relevance to the development goals of Egypt.
3. Internships in government agencies and public sector companies for Cairo University faculty to provide opportunities for them to become familiar with the operation of these organizations and for them to work on specific research problems of importance to these organizations.
4. Development of library and computer facilities for the permanent Center being established at Cairo University.

In terms of developing the permanent institutional framework, many positive steps have been taken. The Development Research and Technological Planning Center (DRTPC) was chartered as an autonomous research unit within Cairo University in March of 1979. The first Director was appointed, a set of bylaws were enacted, and over 3,500 square meters of space were donated in a new building on the Cairo University campus.

However, progress on this effort has lagged somewhat behind the research effort. For the next two years the Center embarked on an ambitious program of research in a wide range of areas, and drifted away from the strong science and technology based research areas where the comparative advantage had been developed -- and was continuing -- under the CU/MIT Program. In addition, the first administrative organization of the Center did not facilitate the anticipated integration of the CU/MIT Liaison Office staff and its procedures.

In March of 1981, after a joint evaluation by the Cairo University Executive Committee and the MIT Policy Committee of the Center's progress to date, a major reorganization was undertaken. Although this has caused a delay in the institutionalization process, the Center's research and educational objectives have become clearer and more productive. The Program considers this change to be a part of the learning process for finding the most effective organizational mechanisms for achieving self-sufficiency for the Center. The Cairo University Executive Committee took a more direct role in shaping the specific scope for the Center's activities and administrative development, and the following guidelines were established:

- * The principal activity of the DRTPC will be research. The Center will emphasize sponsored research programs with specific objectives.
- * The research will focus on those areas of science, technology, and development which address the development goals of the Government of Egypt. This research will not duplicate the work of other research units at Cairo University or other government agencies.
- * The Center's educational activities will concentrate on fellowships, short courses, and workshops that support the training of research personnel at universities and government ministries, as opposed to the granting of academic degrees.
- * The Center will establish effective mechanisms for utilizing Cairo University faculty and the faculty from other Egyptian universities in the research programs; it does not plan to develop a permanent research staff.
- * Appropriate faculty committees will monitor the quality of the research to insure compliance with the standards and objectives of the Center.

In April 1982, a new Director for the Center was appointed by the President of Cairo University, and plans for a new organization were developed.

In light of the reorganization and delay in developing the Center, the Program is now requesting an extension of the contract with USAID in order to enter into a new, more carefully structured phase for consolidating and strengthening the Program's institutional components. The remaining period of the current contract (January 1 - March 31, 1984) would be modified accordingly and an additional period of full Program effort (to June 1986) would be funded. Finally, there will be a six month period (to end December 1986), during which MIT's contractual involvement will be phased out.

4. Objectives of the Proposed "Institutional Phase"

The Program now views the institutionalization process as consisting of two major tasks:

1. Administrative: Developing the permanent institutional framework (DRTPC) and its administrative and research support infrastructure.
2. Program: Sponsoring research and educational activities aimed at strengthening the manpower capabilities and organizational structures within the ministries and Cairo University faculties, to facilitate maximum utilization of the facilities and administrative support available through the DRTPC.

During the "Institutional Phase" there will be a relatively greater emphasis in the early years on the "task 1" activities and a gradual reduction of USAID/Cairo support for the "task 2" activities. It is expected that funds will be obtained from a variety of other sources to maintain and hopefully expand the pace of research and manpower development activities at the Center. A greater portion of the USAID funding will be directed to activities that support that objective.

Individual participants will be made aware of the new emphasis of the "Institutional Phase" and will be required to chart their own progress not only in terms of conducting relevant and productive research, but also in contributing towards the strengthening of the DRTPC to continue this work permanently at Cairo University. Specifically, they must demonstrate that they are developing both their technical skills and their marketing skills in strengthening relationships and obtaining outside funding to help support those activities which they wish to continue under the auspices of the Center. Henceforth, approval of each research activity will be based upon two principal criteria.

1. How it proposes to contribute to the development goals of Egypt via applied research and manpower development and
2. How it proposes to contribute to achievement of the technical and financial self-sufficiency goals of the Center.

MIT Involvement

There has been a pronounced change in the respective roles of Cairo University and MIT over the past five years. Egyptian counterparts have assumed much of the responsibility for proposal preparation, the design and execution of computer models, the organization and supervision of conferences, workshops and seminars, and the preparation of final reports and journal articles disseminating the results of this research. At this point in time the Cairo University participants are now taking the major initiative in suggesting research topics, initiating educational activities and devising the necessary quality control mechanisms.

During the institutional phase, MIT's involvement will continue to be modified but there are certain key elements that are necessary for continuation of the present efforts and their new emphasis on strengthening

the DRTPC. By provision of both personnel and physical resources, MIT will continue to serve as a catalyst in creating an environment conducive to productive research, encouraging Egyptian participation, and insuring continuity of Egyptian efforts. During the institutional phase the joint CU/MIT long-term research projects will gradually phase down, but the MIT commitment will remain very strong in assisting the Center to:

1. Gain independent capability to identify and select pertinent research projects based upon proven evaluation procedures,
2. Design individual research activities according to accepted scientific methodology, and
3. Manage both the technical and administrative aspects of these projects.

In summary, both Cairo University and MIT are committed during the coming "Institutional Phase" to creating a true "Center of Excellence". Four successive Presidents of Cairo University have been personally involved in the Program and given it their direct encouragement. It is hoped that the Center will not only allow for the perpetuation of the successful efforts begun by the CU/MIT Program, but also serve as an example to Cairo University for changes that can be brought about in other areas as well.

5. Program Description

Given the distinction between the "administrative" and "program" elements of the institutionalization process, the Program will enter into a set of activities which combine those that were successful during the prior phases with new efforts that are designed specifically to gain self-sufficiency for the Center. The program considers it essential that these activities be conducted under the umbrella of the CU/MIT Program for the following reasons:

1. Critical size required for mutual reinforcement and synergistic effect,
2. Increased visibility for new efforts through association with a well-established Program.
3. Benefit of the expertise obtained by Program participants as a result of long-term involvement,
4. Utilization of the effective administrative mechanisms already in place, and
5. Proven value of short visits and/or extended stays by Egyptian participants at MIT.

These activities fall into four major categories, as listed in Table 1.

TABLE 1

CU/MIT PROGRAM ACTIVITIES FOR THE "INSTITUTIONAL PHASE"

1. Administrative and Research Support Systems Development

- * Organizational Development and Staffing
- * Administrative Operations
- * Research Support Systems

2. Applied Research

- * DRTPC Research
 - Proposal Preparation
 - Projects with Matching Funds
 - DRTPC-Initiated Research
 - Internships in Government Agencies and Public Sector Companies
- * CU/MIT Collaborative Research
 - Long-Term Projects
 - Short-Term Projects

3. Manpower Development

- * Postdoctoral Fellowships
- * Doctoral Fellowships
- * Visiting Fellows at MIT
- * Short Courses at the DRTPC
- * Course Development at Cairo University
- * Mid-Career Academic Fellowships for Ministry Personnel

4. Activities which Promote an Overall Awareness of the Center

- * Conferences, Seminars, Workshops
- * Publications

5.1 Administrative and Research Support Systems Development

Organizational Development and Staffing

One of the obstacles to institutionalization was the separation between the Liaison Office and the Center; therefore integration of the two staffs became a matter of high priority when the DRTPC's second Director was appointed in April 1982. The DRTPC Director, with the assistance of MIT's Director of Personnel, devised an organizational structure (Figure 1) within which all CU/MIT staff were absorbed as of July 1, 1982. The CU/MIT Program will provide strong financial support for this combined staff during the first year of the proposed contract extension. During the second year, Cairo University intends to have the Center absorb 25% of these costs, and during the third year 50%.

Administrative Operation

The following organizational elements have been designated as the major administrative functions on which development efforts will focus:

- * Contract/grant management and administration
- * Financial management and accounting
- * Organizational development and personnel administration
- * Management of educational activities, such as fellowships
- * Secretarial services, office information systems, and other administrative functions

A system of allocating direct and indirect costs will be established for these various functions; eventually it will allow the Center to distribute the costs to its sponsored research and other outside funds. The Center will need full financial support, however, from the CU/MIT Program while the concepts and procedures are being developed and implemented.

Support from MIT administrative departments, in collaboration with the respective counterpart organizations at the Center, has been one of the most constructive elements in the institutionalization process. This involvement will be expanded in manner that more clearly quantifies the extent and value of this assistance. Specifically, it is expected that representatives from the following MIT administrative departments will be involved in devising appropriate systems for the Center, traveling to Cairo to assist in their implementation, and providing other advisory services as requested:

Office of Sponsored Programs

Comptroller's Accounting Office

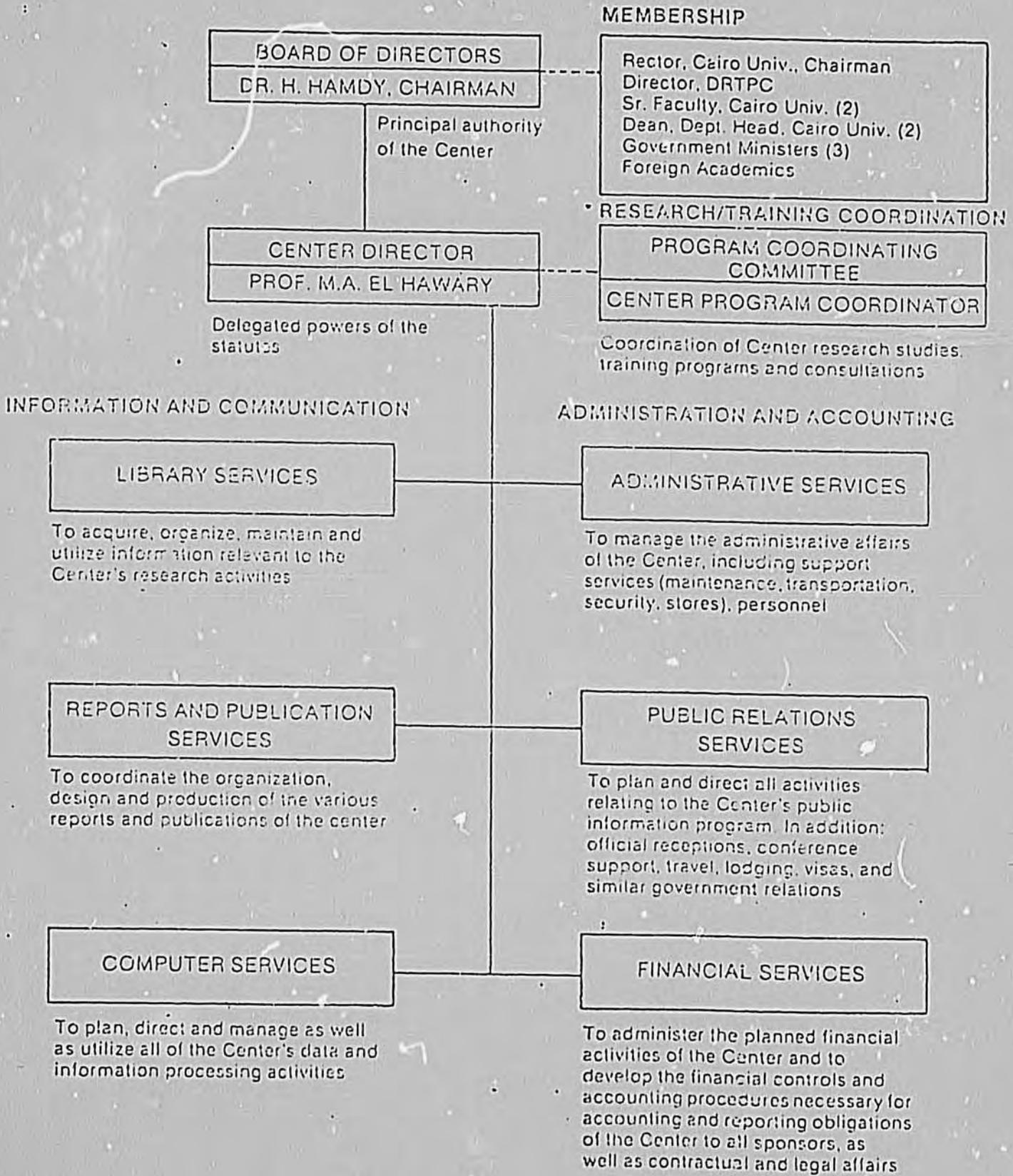
Libraries

Personnel

TAP Administrative Office

FIGURE 1

ORGANIZATIONAL STRUCTURE OF THE CENTER OF DEVELOPMENT RESEARCH AND TECHNOLOGICAL PLANNING (DRTPC); CAIRO UNIVERSITY



In the computer area, an effort will be made to identify personnel at the various MIT facilities who can assist in the development of the Center's computer operation. Significant training in computer programming will also take place through the joint CU/MIT research projects. Finally, assistance may be sought from other MIT centers and laboratories, such as the Center for Advanced Engineering Studies, whose expertise in managing research and educational programs will be relevant to the institutionalization effort.

Research Support Systems

At the start of the current contract (October, 1980), the CU/MIT Program included a provision for funding of Center research support systems. Since then the Program has had an opportunity to do a careful evaluation of the resources required for both establishment and maintenance of library and computer operations of the Center during the institutional phase.

Computer

A larger than originally budgeted system has been proposed, based on a joint study undertaken by MIT and Cairo University. It is now planned that this system will be used for:

1. General computational support for the research programs,
2. Administrative, financial, and accounting operations, and
3. A computerized search and retrieval system to reference the holdings of the DRTPC library.

Approval for purchase of the proposed system was obtained from USAID and installation of the first phase was completed during the fall of 1982. It is planned that this facility will become self-supporting after an initial period of operation, but during the first few years operating funds will be required from the CU/MIT Program. In addition, funds are required for additional hardware and software development over the next three years.

Library

Discussions concerning a prospective library facility at the Center began in late 1981 among the interested members of the CU Executive Committee, the MIT administrative staff of the Program, and the Center's newly-appointed librarian. After visiting the facilities at Cairo University, it became clear that a more comprehensive facility than originally anticipated was required for the Center.

This facility will include:

1. All publications of the DRTPC and working papers, theses, and journal articles related to DRTPC activities.
2. A basic reference collection of statistical information on Egypt, as well as other important reference sources on science,

technology and development, and

3. Reference works pertinent to the research and education activities currently underway at the DRTPC.

Therefore, this line item will also increase during the institutional phase. Gradually the library's indirect costs will be integrated into the Center's overhead structure, and these costs will be allocated to the Center's projects.

5.2 Applied Research

CU/MIT Program Research

The CU/MIT long-term research projects have proven to be the most effective and productive method of training and problem solving within Cairo University and the government structure of Egypt. Originally, it was anticipated that by the academic year 1982-83 the number of projects would be phased down to eight, but this has been modified because of two principal factors:

- (1) The enthusiastic response on the part of the ministries and Cairo University to this effort. The Fifth Anniversary Symposium of the Program held in January of 1982 highlighted this keen interest and awareness of the benefits available.
- (2) The delay experienced in the institutionalization process of the Center, and the continued need for the significant contributions that the long-term research projects can make to this process.

Given these factors, the CU/MIT Program found it extremely difficult to adhere to the planned schedule for phasing down. It is therefore proposed that over the next two academic years (1983-84 and 1984-85) the projects be reduced to eight with a phasedown to four during the academic year 1985-86. This schedule is reflected in the detailed budget for the proposed extension.

During the first phase of the Program, the following were the most significant criteria in the selection of long-term research projects:

- * Relevance to the national development objectives of Egypt, and to ongoing and planned projects. Topics are to be of highest priority to the ministries, consistent with the expertise available at Cairo University and MIT.
- * Contribution to an improved understanding of technological adaptation and development processes.
- * Demonstration of the tripartite nature of the projects, and active participation by all three sets of participants.
- * Potential for expansion by the ministry involved into a more general planning framework.
- * Time constraint requiring specific results within one year.
- * Utility of project results for increasing the efficient use of present resources at Cairo University and the ministries, and for developing new projects with outside funding.

During the institutional phase the following more specific criteria will be emphasized:

- * Availability of CU/MIT Program funds, considering the scheduled phase down of long-term research projects.
- * Whenever possible, the involvement of new departments at Cairo University and new ministries.

- * Specific potential for financial contributions by ministries or other organizations.
- * Potential for the application of proven marketing skills on the part of the Cairo University principal investigator (and other team members).
- * Specific intent to promote an awareness of the DRTPC's capabilities and create an environment within the cooperating ministry for future use of these capabilities.

The Cairo University and ministry participants should view participation in the research efforts not only as a vehicle for involvement with MIT, although this will remain an important aspect of these projects. They should also see it as a means to associate themselves with the Center, through which collaboration such as that with MIT can be facilitated.

At the beginning of the current contract, it was also intended that a series of CU/MIT short-term research projects of six months duration would be funded. This activity will be implemented during the 1983/84 academic year, with an emphasis on utilizing the technical and marketing skills of Cairo University faculty to obtain follow-on funding for the work performed. The work plan will indicate where specific potential exists for future contributions by other sources. These projects may also be used to develop areas of technical expertise when a specific need is identified within the Center.

Two of the most important types of research that would be considered for short-term funding are prefeasibility and prototype studies. An example of the first would be a brief organizational study of a government agency, during which an overall evaluation would be made of its operations. Major problems would be identified and specific projects and courses that the agency could then fund through the Center would be proposed. In the prototype research, a certain methodology for analysis could be tested on a small scale and, if successful, implemented on a larger basis by the Center with funding from outside sources.

Research Support to the DRTPC

A new program of applied research is proposed for the institutional phase of the Program, in which projects will be identified, selected, and administered primarily by the DRTPC. To date, the Center has made significant progress in obtaining funds for sponsored research from a variety of sources, but seed money from the CU/MIT Program would enhance the Center's ability to attract funding from more diverse sources and to develop new and innovative financial arrangements for its research and educational programs.

Four specific areas of research support have been identified for the Center:

1. Proposal preparation. Funds would be provided to Cairo University faculty members to perform the background work necessary to write soundly conceived and well prepared proposals in response to either RFPs or letters of interest from Egyptian ministries or international organizations. Funding

would normally be provided on a two or three month basis, and the level would be set according to the anticipated award total (not more than 5%). MIT faculty and ministry personnel not affiliated with the agency issuing the RFP may be used in an advisory capacity, if appropriate.

2. Matching funds. This would be used to provide funding for those Cairo University faculty members who have already obtained a commitment for contribution from a government agency to perform specific research. These would be modeled on the CU/MIT long-term research projects. MIT participation will depend upon the nature of the individual project.

3. DRTPC-initiated research. In areas where the Center wishes to develop a particular expertise, or where there is strong interest on the part of the Egyptian government to undertake projects on certain development topics, the Center will initiate a series of projects similar to the short-term CU/MIT research described in section 5.2. The same emphasis on potential for follow-on funding will apply. Again, MIT participation will depend on the nature of the individual project.

4. Internships in government agencies and public sector companies. This program, which was originally designated as one of the "new initiative" activities, will now fall under the category of DRTPC research. Participation will expand because of the practical results expected from the first set of awards in terms of potential long-range relationships with the agencies and companies concerned.

5.3 DRTPC Manpower Development

The doctoral and postdoctoral fellowships for qualified Cairo University students and junior faculty members will continue. These fellowships are not open to individuals who are currently participating in other CU/MIT research. The primary effort within these fellowships will take place at Cairo University, although MIT resources can be made available when appropriate to support the fellow's activities. The Center has decided that during the institutional phase there will be increased emphasis on the post-doctoral fellowships because of the potential for continuation of this research through outside funding.

Based on the success of these two programs, the Center intends to initiate mid-career academic fellowships for ministry personnel. The selection and quality control processes at the Center will be similar to those for the doctoral and postdoctoral fellowships, with the additional involvement of the ministries in nominating the candidates. The objective of this program will be to encourage participation of ministry personnel in graduate level programs that focus on development issues. Up to one month's visit may be made to MIT, for discussion of research topics with MIT faculty.

For those associated with the CU/MIT research, the research fellowships at MIT will be continued on a limited basis, when it is decided that a particular student, junior faculty member, or ministry participant would benefit from an extended stay at MIT. These candidates will be jointly nominated by the MIT and Cairo University faculty principal investigators.

The Program also intends to integrate the experience of prior and ongoing research within the curriculum of Cairo University via a specific course development activity. Both MIT and Cairo University faculty will present special lectures or lecture series within currently scheduled academic courses at Cairo University. Or they may assist in the development of new courses on technology development and adaptation, socio-economic analysis techniques, project evaluation and management, or other topics of relevance to the ongoing work at the Center.

Based on the success of short courses offered by the individual CU/MIT research projects over the past five years, the Center will offer a series of similar courses. Some will be concerned with general topics of interest to participants from many disciplines, such as sector level planning, computer modeling, and cost/benefit analysis, while others will concentrate on analysis of specific issues of current concern to the organizations involved. Some of these funds may also be used for the purchase of packaged courses which have been developed at MIT and elsewhere.

5.4 Activities Which Promote an Overall Awareness of The Center

Conferences, Seminars, Workshops

The CU/MIT Program plans to continue its series of conferences, workshops and seminars related to the research currently underway. By so doing, all participants have the opportunity to present the results of their research efforts to their peers and to those personnel working in the field, primarily ministry personnel, who may not be aware of the state-of-the-art of the research being conducted at the Center. There is often significant international participation in these activities by representatives from major U.S. and foreign universities and international organizations. Such participation provides an even wider forum for communicating important technical findings and policy directions.

In addition to the annual Joint Program Conference involving all research projects of the Center, the Program expects to hold one major conference per year on the research of a specific project or group of related projects. Seminars and workshops will also be held when a smaller size or a more informal atmosphere is appropriate.

Publications

The Technology Adaptation Program at MIT and the DRTPC have both initiated a series of technical reports as the primary mechanism for disseminating the results of the research. Some funds will be made available to the Center during the institutional phase for a series of publications, including reports, brochures, and newsletters which will publicize its capabilities and the results of its activities.

6. Feasibility Issues: Schedule for DRTPC Self-Sufficiency and Indicators of Progress

The indicators of progress towards institutionalization have been divided below between those associated with the development of the DRTPC organization (administrative) and those associated with the DRTPC's research and educational activities (program). In establishing indicators both care and caution must be used. Establishing solely quantitative targets for numbers of people participating, courses or fellowships offered, or papers produced could easily become an end in itself and give misleading results. Quality must be the predominant characteristic in the establishment and evaluation of these indicators.

Administrative Indicators

- * Development of an organizational structure with the following major functional areas:
 - Administration, Personnel, and Legal Services
 - Public Relations Services
 - Accounting and Financial Services
 - Reports and Publication Services
 - Library Services
 - Computer Services
- * Clear delineation of responsibility and effective delegation of authority.
- * Establishment of and adherence to written administrative plans, policies and manuals. Evidence of internal review and revision on a periodic basis to provide maximum efficiency and responsiveness.
- * Evidence of effective recruitment, compensation and performance review procedures for administrative personnel.

Program Indicators

Relevance of Research and Educational Activities

- * Ministry incorporation of results and innovative research methodologies.
- * Willingness to provide follow-on funding.
- * Willingness to build on expertise, either through new areas of research by expanding the base of personnel or technical specialities within a ministry.

- * Establishment of regular and on-going training programs, both in terms of fellowships and short courses. Eagerness to participate and quality of final results.
- * Perception of the Center as an organization of excellence. Prestige conferred upon participants.
- * Continuity of support by Cairo University and Government of Egypt through administrative and political changes.
- * Evidence that a variety of institutional ties have been established, with an emphasis on quality and concrete results.

Attitude Change

- * Expanded base of involvement at Cairo University, new faculty members and new departments.
- * Continued utilization of new skills.
- * Increased base of involvement with the ministries.
- * Willingness on the part of Cairo University to take the initiative in proposing, designing, and implementing new activities.
- * Institutional changes made at Cairo University and ministries, following the example of the Center.

Effectiveness of the Center's Research and Educational Operations

- * Environment created which is conducive to research.
- * Establishment and proven effectiveness of quality control procedures in activity selection and operation.
- * Quality of activities for which outside funding is obtained.
- * Implementation of an efficient and responsive administrative infrastructure.

Financial Self-Sufficiency

- * Marketing plan developed and operational.
- * Evidence of different methods of identifying and successfully soliciting financial support.
- * Diversity and magnitude of funding: source, type and length.

Five major sources expected:

1. Grants from Egyptian government organizations for general

training and administrative activities.

2. Grants from Egyptian government organizations for research and technical assistance programs.
3. Direct research contracts with Egyptian institutions.
4. Direct research contracts with foreign institutions.
5. Grants or endowments from international organizations.

Rather than focusing on a long-term detailed program for self-sufficiency, the Program has chosen to review progress of the Center in terms of these indicators on an annual basis, and at that time set specific objectives for the coming year. In this way, the Program has avoided becoming locked into directions that could prove to be unproductive. Following are some of the specific objectives established for the coming year:

- * Expand participation by MIT and Cairo University administrative departments in the institutionalization process.
- * Establish internal progress reporting systems for the Center.
- * Diversify sources of funding for Center research.
- * Implement second phase of manpower development activities including short courses at the Center.
- * Continue development of library and computer facilities.
- * Develop an overhead system to allocate direct and indirect costs.
- * Require greater contribution by ministries to CU/MIT research projects.

Over the entire period of the institutionalization effort, four distinct phases have been identified. The organizing phase is now complete; the remaining period of the contract (institutional phase) will include formative, consolidation, and operational sub-phases. Table 2 outlines the general objectives, the expected use of AID funds, and the MIT role for each phase. It also shows how they will be modified throughout this time period to promote self-sufficiency for the Center.

Table 2

TIMETABLE FOR DRTPC SELF-SUFFICIENCY

<u>Phase</u>	<u>DRTPC Administrative and Program Objectives</u>	<u>Use of AID Funds</u>	<u>MIT Role</u>
Organizing Phase September 1978 - June 1982	<ul style="list-style-type: none"> - Center established in March 1979 - First organizational structure implemented - First projects obtained and administered - Evaluation and reorganization undertaken, March 1981-June 1982 - Organization plan completed 	<ul style="list-style-type: none"> - CU/MIT long term projects and manpower development activities - Support for Center's staff and direct expenses 	<ul style="list-style-type: none"> - Collaboration in long term research and manpower development activities - Advisory role in administrative development
<u>INSTITUTIONAL PHASE</u>			
Formative Sub-phase July 1982-June 1984	<ul style="list-style-type: none"> - New organization implemented - Expansion into new areas of sponsored research, both in terms of topics investigated and sources of funding - Center overhead system developed 	<ul style="list-style-type: none"> - Continuation of the above, with greater emphasis on institutionalization - New funds provided for DRTPC initiated research - Further support for DRTPC administrative and research support systems development 	<ul style="list-style-type: none"> - Collaboration in long term research and manpower development activities - Increasing assistance for administrative and research support systems development
Consolidation Sub-phase July 1984-June 1985	<ul style="list-style-type: none"> - Overhead system implemented - 25% of costs previously covered by AID contract for DRTPC administration now covered by Center's projects. Marketing effort expands to attract endowments for continuation of manpower development activities 	<ul style="list-style-type: none"> - Continued strong support for DRTPC initiated research and administrative development - Support for long term CU/MIT research gradually declines 	<ul style="list-style-type: none"> - Reduced participation in joint research - Major assistance in administrative and research support systems development
Operational Sub-phase July 1985-June 1986	<ul style="list-style-type: none"> - 50-100% of costs previously covered by AID contract for DRTPC administration now covered by Center's projects - Balanced set of research and educational activities fully funded by outside sources 	<ul style="list-style-type: none"> - Support for DRTPC initiated research specifically focuses on activities to generate further funding - Support for CU/MIT long term projects continues to decrease 	<ul style="list-style-type: none"> - Phase out MIT's involvement in joint research - Direct support reduced to contractual reporting and contract closing activities during last six months

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7. Organizational and Administrative Plan

At Cairo University, the Program is administered under the auspices of the Development Research and Technological Planning Center (DRTPC), under the general direction of the Office of the President. At MIT, it is administered within the Technology Adaptation Program (TAP) in the Office of the Provost. Appropriate faculty committees have been established at both MIT and Cairo University to formulate general policies for development and implementation of Program activities, to approve specific research projects and fellowships and their budgets, and to monitor the research and institutionalization efforts. Program Offices have been established at both MIT and the DRTPC to handle the day-to-day administration of Program activities.

Presently existing institutional and administrative agreements between MIT and Cairo University (see Appendix I) will substantially remain in effect during the proposed new phase of the Program, except for Clause IV of the Administrative Agreement. Clause IV will be modified to reflect the new procedure for the reimbursement of DRTPC indirect cost, which is described below. They should, however, reflect the main goal of Phase III -- the institutionalization of the DRTPC.

8. Financial Control and Administrative Procedures

In accordance with A.R.E. Presidential Decree No. 48 for the year 1982, the DRTPC began administering the Egyptian pound expenditures of the Program effective July 1, 1982. The Program reimburses the DRTPC from USAID funds available to MIT in Egypt for all expenditures which are in conformity with the provisions of the USAID/MIT contract. Funds are made available to MIT in accordance with USAID/Cairo's standard procedures.

For the first year of Phase III, the Program will reimburse the DRTPC for its indirect costs in support of the Program at the rate of 32% of the total direct costs billed by the DRTPC to the Program each month. The total indirect cost reimbursement for this first year is however limited to a maximum amount of LE450,000.

During the first year of Phase III a forecast of the DRTPC's indirect costs for the second year of Phase III will be prepared, consisting of (1) a percentage of the Center's administrative costs previously paid directly by the CU/MIT Program (including a rate negotiated between the DRTPC and Cairo University for the indirect cost items provided by Cairo University to the DRTPC); and (2) other indirect expenses projected to be incurred by the DRTPC. An overhead base will also be estimated consisting of the total direct costs of sponsored research projected for the period.

An indirect cost rate for the DRTPC's fiscal year beginning July 1, 1984 through June 30, 1985 will be negotiated between USAID/Cairo and the DRTPC prior to the start of that fiscal year and annually for each fiscal year thereafter. The first negotiated rate will be applied for one half year only (January 1, 1985 to June 30, 1985) and thereafter for each full fiscal year or portion thereof while the project is operative. Payment of this negotiated rate will be made by the Project to the DRTPC on a monthly basis. This process of annual negotiation of the indirect cost rate will continue through the life of the project.

In regard to the U.S. dollar expenditures, accounting procedures of the MIT Comptroller's Office currently in effect will be followed for determining all allowable expenditures and payment procedures for funds provided through the continuation of the direct USAID contract with MIT.

Other administrative procedures agreed upon between USAID and MIT during the prior phases of the Program will also remain in effect during the proposed new phase of the Program.

The budget prepared for the Institutional Phase combines funds remaining in USAID contract 263-0061-C-00-1001-00 as of July 1, 1983, and a new allocation to be made under a contract amendment between USAID and MIT.

9. Reporting

The contractor will to submit annual progress reports for all aspects of Program activities. These reports will be prepared in conjunction with USAID/Cairo and relevant Egyptian counterparts. These reports will form a base for decisions on modification, discontinuation, or extension of project activities, and will include:

- * Status of project activities with respect to:
 - a. Coordination with ministries, agencies, joint working groups and international organizations.
 - b. Development and application of Cairo University/MIT analysis/assessment capability applied to actual and planned projects.
 - c. Degree of intergovernmental and public acceptance of the Development Research and Technological Planning Center as a planning, analysis, and educational resource.
- * Status of the Development Research and Technological Planning Center's activities and its progress towards self-sufficiency with respect to:
 - a. The management organization of the DRTPC.
 - b. The DRTPC's research and education plan.
 - c. Potential and actual sources of outside funding for the DRTPC.

The DRTPC will provide directly to USAID/Cairo annually a strategic plan and annual report in accordance with the schedule described in Table 1 of Part III of this proposal.

The Contractor will deliver to the Director, USAID/Cairo ten copies of all final project documents as they are published, and two copies of all other reports including conferences, seminars, and interim project reports as they are prepared.

It is the general intent that the results of the applied research studies will be broadly available. However, it is recognized that in a few instances the utility of the study or the establishment of the desired relationship with an individual ministry would be adversely affected by wide access to the inputs and/or the results. In those instances restricted access will be appropriate.

Appendix I

Administrative Agreement

Effective July 1, 1982

ADMINISTRATIVE AGREEMENT between Cairo University and the Massachusetts Institute of Technology for the continuation of a Technological Planning Program, hereinafter known as "The Program".

ARTICLE I - OBJECTIVE

The objective of this administrative agreement is to define the administrative arrangements between the Program at Cairo University and the Technology Adaptation Program at the Massachusetts Institute of Technology in support of the MIT/Cairo University Technological Planning Program described in AID Contract No. 263-0061-C-00-1001-00 (which continues the effort begun in AID Contract No. NE-C-1291), and in the agreements between MIT and Cairo University dated January 6, 1977, August 24, 1981, and December 2, 1981 which are appended* and serve as a basis for this administrative agreement.

ARTICLE II - BUDGET AUTHORIZATIONS

General policies for disbursement of all Program funds will be jointly established by the Cairo University Executive Committee and the MIT Policy Committee. The Committees will authorize all U.S. dollar and Egyptian pound expenditures for the research projects and educational activities by jointly approving individual activities.

ARTICLE III - ADMINISTRATION

In accordance with A.R.E. Presidential Decree No. 48 for the year 1982, the Development Research and Technological Planning Center (DRTPC) will administer the Egyptian pound expenditures of the Program in Egypt, starting on July 1, 1982. The DRTPC Director will be responsible for disbursement of all Egyptian pound funds jointly authorized by the TPP Executive Committee of Cairo University and the TAP Policy Committee at MIT and for maintaining financial records, purchase orders and invoices in accordance with DRTPC standard accounting practices and in conformity with MIT contractual requirements. Supporting documentation should have adequate English translation or description. The amount to be administered is the unspent balance remaining in AID Contract No. 263-0061-C-00-1001-00 as of June 30, 1982, which is approximately 2.2 million Egyptian Pounds.

The DRTPC shall independently establish a bank account with an initial operating fund. At the end of each month, the DRTPC shall furnish to the MIT/TAP Representative in Cairo an accounting of the expenditures incurred. The MIT/TAP Representative in Cairo shall reimburse, from AID funds available in Egypt, DRTPC for all expenditures which are in conformity with the provisions of the USAID/MIT contract.

The MIT/TAP Representative in Cairo will be available to provide advice and assistance in these matters as requested by DRTPC Director.

* Not appended in this Proposal

ARTICLE IV - REIMBURSEMENT OF INDIRECT COSTS

The Program will reimburse Cairo University for the indirect costs, including fringe benefits, for certain faculty and academic administrative staff at the rate of 109% of such salaries and/or consulting fees. Such reimbursement is provided only for full-time faculty and/or academic administrative staff (excluding graduate students) for their direct participation in the joint research projects.

Payment will be made monthly, to an account designated by Cairo University, based on salaries and/or consulting fees paid during the prior month.

ARTICLE V - OFFICE SPACE, FURNITURE & EQUIPMENT

Cairo University has provided office space, furniture and equipment as required for the Development Research and Technological Planning Center. Renovations to the Center's space and the purchase of some office furniture and equipment have been and will continue to be made with the understanding that the cost of these items will be deducted from the reimbursement of the indirect costs payable to Cairo University. This equipment plus equipment purchased from the Program's U.S. dollar and Egyptian pound budgets, such as a telex machine, typewriters, a copy machine and air conditioners became the property of Cairo University when delivered to Cairo University. They will be used by the Program during the period of its operation in Egypt.

ARTICLE VI - CONTRACTUAL OBLIGATIONS

This agreement is subjected to the terms of AID Contract No. 263-0051-C-00-1001 modified by the substitution of "DRTPC" for "Contractor" and "MIT and/or the Government" for "the Government".

ARTICLE VII - EGYPTIAN TAXES AND DUTIES

It has been determined that equipment purchased from Program funds and donated to Cairo University -- as described in Article V -- are exempt from Egyptian taxes and duties.

Further, the Ministry of Finance of the Arab Republic of Egypt issued a specific interpretation of the Program's tax status on May 21, 1977. A copy of this interpretation is appended as a part of this Administrative Agreement. The major points are summarized as follows:

1. American and Egyptian employees and consultants are tax-exempt.
2. Personal effects of the MIT resident staff including one automobile, are exempt from customs duties providing goods imported into Egypt are re-exported within six months after the termination of their contracts.

VIII - PERIOD OF AGREEMENT

This agreement shall enter into force upon signature and shall remain in force during the existing phase, through October 31, 1983, for the Cairo University/MIT Technological Planning Program. The agreement may be modified, terminated or extended with mutual consent of the Parties.

Upon signature of this agreement, this agreement shall supersede the earlier Administrative Agreement signed by MIT on December 2, 1981.

For the Massachusetts Institute of Technology
Signed by

George H. Dummer
Director, Office of Sponsored Programs

For Cairo University
Signed by

Prof. Hassan Hamdi Ibrahim
Rector

Translated from the Arabic Letter

Arab Republic of Egypt
Ministry of Finance
Minister's Office

May 21, 1977

To Prof. Dr. M. Z. Shafei
Liaison Office Director,
The MIT Technological Planning Program of
Cairo University & Massachusetts Institute of Technology,
Cairo University.

Greetings,

With reference to your letter dated April 25, 1977 concerning the signing of a contract between Cairo University and representatives of Massachusetts Institute of Technology, USA, for the establishment of a common program of technological and scientific research, under the title "Planning and Technology Program" and the initiation, to this effect of a Liaison Office to effect organization between both universities with view to the execution of this, the Program that consists of various engineering, technological, economic and social studies, besides other diverse aspects that concern the Egyptian community and its present problems now financed by A.A.A. (American AID Agency) solely, without any other source, the fact that payment shall be directly settled from this Agency's account to the private account allocation for this purpose and opened at Chase Mannatten, Cairo, and the fact that the resources allocated for this financing shall be transferred from the account of the Agency at Chase Manhattan Bank, Paris, to Chase Manhattan Bank, Cairo.

We would like to inform of the following in answer to the inquiries stated in your letter:-

(1) With regard to Customs treatment for American subjects who will be employed by this Program and exempting their furniture and cars, temporary clearance, according to Customs provisions, may be granted without collecting taxes or duties on personal property including one car, provided a promise should be submitted that they shall be re-exported within six months after termination of their contracts, together with a guaranty that taxes and duties shall be paid if such property be not re-exported during said term.

(2) With view to taxes on American subjects salaries in Cairo, the Director of the Liaison office and university professors working for the Program, also taxes on Egyptian administrators, the tax Administration is of the view that this is governed by Article 16, of Law 14 for 1939. The Article says that if payment is from a foreign government fund, the sums thus disbursed as salaries and wages are tax exempt.

But sums paid from Egyptian fund (s), for work carried out in Egypt or to a resident therein, salaries and wages are liable to taxes.

Hence, sums that shall be paid out of AID funds through its account at Chase Manhattan Bank, Cairo, opened particularly for the Planning & Technology Program, Cairo University, are not liable to taxation of salaries and wages, whether paid to expatriates or Egyptians under the assumption that payment is done from a foreign government fund.

Any other sums expended from another account or from mixed funds are liable to taxation concerning salaries and wages in Egypt as stipulated by said Article.

And with our best regards.

Ministry of Finance

Dr. Mahmoud Salah el Din Hamed

CU/MIT TECHNOLOGICAL PLANNING PROGRAM

Budget Summary for the Period July 1983/December 1986
 (\$000/LE000)

	7/83-6/84		7/84-6/85		7/85-6/86		7/86-12/86	
	\$	LE	\$	LE	\$	LE	\$	LE
<u>A. DRTPC RESEARCH</u>								
1. Proposal Preparation:	18	35	18	35	9	18		
2. Matching Funds	158	178	79	141	-	-		
3. DRTPC-Initiated	88	97	44	77	-	-		
4. Ministry Internships	-	23	-	23	-	23		
Subtotal	<u>264</u>	<u>333</u>	<u>141</u>	<u>276</u>	<u>9</u>	<u>41</u>		
<u>B. MANPOWER DEVELOPMENT</u>								
1. Postdoc. Fellows	20	69	20	69	13	35		
2. Doc. Fellows	-	18	-	18	-	11		
3. Research Fellows/MIT	38	-	38	-	19	-		
4. Short Courses	109	43	109	43	82	33		
5. Fellowships at CU	15	19	15	19	7	10		
Subtotal	<u>182</u>	<u>149</u>	<u>182</u>	<u>149</u>	<u>121</u>	<u>89</u>		
<u>C. RESEARCH SUPPORT SYSTEMS</u>								
1. Computer	190	230	106	98	73	65		
2. Library	56	45	38	33	38	33		
Subtotal	<u>246</u>	<u>275</u>	<u>144</u>	<u>131</u>	<u>111</u>	<u>98</u>		
<u>D. CU/MIT RESEARCH</u>								
1. Long-Term	764	281	764	281	191	80		
2. Short-Term	118	48	79	32	-	-		
Subtotal	<u>882</u>	<u>329</u>	<u>843</u>	<u>313</u>	<u>191</u>	<u>80</u>		
<u>E. ADMINISTRATION</u>								
1. DRTPC Staff	-	119	-	103	-	82		
2. DRTPC Expenses	31	125	26	96	20	67		
3. MIT Staff	223	-	192	-	138	-		
4. MIT Expenses	78	-	62	-	62	-		
5. Administrative Travel	109	23	87	18	87	18		
Subtotal	<u>441</u>	<u>267</u>	<u>367</u>	<u>217</u>	<u>307</u>	<u>167</u>		
<u>F. DRTPC ADMIN. SUPPORT</u>								
1. MIT Resident	116	24	114	14	122	14		
2. Other MIT Support	46	10	33	6	36	6		
Subtotal	<u>162</u>	<u>34</u>	<u>147</u>	<u>20</u>	<u>158</u>	<u>20</u>		
<u>G. DISSEM. OF RESULTS</u>								
	12	20	7	10	7	10		
<u>H. DRTPC INDIRECT COSTS</u>								
	-	450	-	357	-	161		20
<u>I. MIT PHASEOUT</u>								
	-	-	-	-	-	-	<u>239</u>	<u>52</u>
TOTAL	\$2189	LE1857	\$1831	LE1473	\$904	LE666	\$239	LE82

TOTAL US\$ \$5,163
 TOTAL US\$ for LE \$4,903 (LE4,078 x 1.2024)
 TOTAL BUDGET \$10,066
 -3,066 funds remaining as of 7/1/83
 TOTAL NEW FUNDS REQUESTED \$7,000

A. DRTPC RESEARCH

A.1 Proposal Preparation

For Each Activity

<u>Cairo University</u>	<u>\$</u>	<u>LE</u>
Senior Faculty - 120 hours		.8
Junior Faculty - 140 hours		.7
Ministry Review - 25 hours		.2
Printing and Typing		<u>.8</u>
Total		LE 2.5

MIT

20% Faculty Salary for One Month	.6	
MIT Benefits @ .38	.2	
MIT Overhead @ .58	<u>.5</u>	
Total	\$1.3	

Number of Proposals Per Year

1983/1984 - 14	\$18.2	E 35.0
1984/1985 - 14	18.2	35.0
1985/1986 - 7	9.1	17.5

A.2. Projects with Matching Funds

<u>For Each Project</u>	<u>\$</u>	<u>LE</u>
<u>Cairo University</u>		
1 Senior Faculty @ 80 hours/month x 12		6.7
2 Junior Faculty @ 80 hours/month x 12		9.6
2 Ministry Participants @ 80 hours/month x 12		9.6
1 Student/Technician @ 60 hours/month x 12		.7
Computer		4.0
Materials and Services		<u>4.0</u>
 Total		 LE 34.6

With MIT Participation

1 Senior Faculty @ 25% + 1 SM	16.3	-
1 Junior Faculty/Staff	7.0	-
1 Student @ 25% for 12 months	4.4	-
Travel: 4 airfares @ \$1,500	6.0	-
Per Diem in Cairo (2 x 10 x 94)	-	1.9
Per Diem in Boston (2 x 10 x 75)	1.5	-
Local Transportation	.3	.4
Materials and Services	6.0	-
MIT Benefits @ .38	10.5	-
MIT Overhead @ .58	26.7	-
MIT Overhead @ .07 (airfares only)	<u>.4</u>	<u> </u>
 Total Additional Funds for MIT Participation	 \$79.1	 LE 2.3

Number of Projects Per Year

1983/1984 - 2 with MIT, 3 without	\$158.2	LE 177.6
1984/1985 - 1 with MIT, 3 without	79.1	140.7

A.3 DRTPC-Initiated Research

<u>For Each Project</u>	<u>\$</u>	<u>LE</u>
<u>Cairo University</u>		
1 Senior Faculty @ 80 hours/month x 6		3.4
2 Junior Faculty @ 80 hours/month x 6		4.8
2 Ministry Participants @ 80 hours/month x 6		4.8
Computer		3.0
Materials and Services		<u>3.0</u>
Total		LE 19.0
 <u>With MIT Participation</u>		
1 Senior Faculty @ 25% x 6 months	7.5	-
1 Staff @ 50% x 6 months	7.0	-
Travel: 3 Airfares	4.5	-
Per Diem in Cairo (1 x 10 x 94)	-	.9
Per Diem in Boston (2 x 75 x 10)	1.5	-
Local Transportation	.3	.2
Materials and Services	3.0	-
MIT Benefits @ .38	5.5	-
MIT Overhead @ .58	14.4	-
MIT Overhead @ .07 (airfares only)	<u>.3</u>	<u>-</u>
Total Additional Funds for MIT Participation	\$44.0	LE 1.1
 <u>Number of Projects Per Year</u>		
1983/1984 - 2 with MIT, 3 without	\$88.0	LE 97.2
1984/1985 - 1 with MIT, 3 without	44.0	77.1

A.4 Internships for CU Faculty at Government Agencies/Public Sector Companies (3-6 months)

7 Senior Faculty @ 300 hours		LE 14.7
7 Junior Faculty @ 300 hours		<u>8.4</u>
Total Each Year		LE 23.1

B. DRTPC MANPOWER DEVELOPMENT

B.1 Postdoctoral Fellowships

For Each Fellow in Cairo

	<u>\$</u>	<u>LE</u>
Salary @ 60 hours/month		2.9
2 Students @ 60 hours/month		1.4
Computer		1.6
Materials and Services		<u>1.0</u>
Total for Each Fellow		LE 6.9

Three Short Visits to MIT (two in 1985/86)*

1 Airfare	1.5	
1 Month Per Diem (30 x 75)	2.3	
Local Transportation	.3	
Computer and Miscellaneous	.5	
MIT Overhead @ .58	1.8	
MIT Overhead @ .07	<u>.1</u>	
Total Per Visit	\$6.5	

Total Postdoctoral Fellowships

1983/1984 - 10 fellows	\$19.5	LE 69.0
1984/1985 - 10 fellows	19.5	69.0
1985/1986 - 5 fellows	13.0	34.5

*Not all the fellows will travel to MIT. These figures represent the anticipated average costs per year.

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B.2 Doctoral Fellowships

<u>For Each Fellow in Cairo</u>	<u>\$</u>	<u>LE</u>
Salary @ 60 hours/month		.7
Computer		1.0
Materials and Services, Student Assistants		1.9
Total		LE 3.6

Total Doctoral Fellowships

1983/1984 - 5 fellows	LE 18.0
1984/1985 - 5 fellows	18.0
1985/1986 - 3 fellows	10.8

B.3 Research Fellowships at MIT

For Each Fellowship

Research Assistant Salary (725/mo. x 12)	8.7
MIT Benefits @ .38	3.3
MIT Overhead @ .58	7.0
Total	\$19.0

Total Research Fellowships

1983/1984 - 2 fellows	\$38.0
1984/1985 - 2 fellows	38.0
1985/1986 - 1 fellows	19.0

B.4 Short Courses at DRTPC and Course Development at Cairo U.

<u>Per Course or Development Activity</u>	<u>\$</u>	<u>LE</u>
Salaries of Teaching Staff (4):		
From MIT (2 @ 50% x 2 months)	8.3	-
MIT Benefits @ .38	3.2	-
MIT Overhead @ .58	6.6	-
At CU (2 x 80 hours/mo. x 2 mos.)	-	2.5
Other Staff (Technical Assts. and Ministry)	<u>-</u>	<u>2.0</u>
Total Salaries	\$18.1	LE 4.5
Travel - 2 Trips to Cairo:		
Airfare	3.0	-
Per Diem (2 x 10 x 94)	-	1.8
Local Transport	-	.5
MIT Overhead @ .07	<u>.2</u>	<u>-</u>
Total Travel	\$3.2	LE 2.3
Course Related Expenses:		
Videotapes and Related Equipment	2.0	-
Textbooks and Supplies for Cairo	2.0	3.0
MIT Overhead @ .07	.3	-
Printing, Photocopy, and other - Miscellaneous Costs	1.0	1.0
MIT Overhead @ .58	<u>.6</u>	<u>-</u>
Total Direct Costs	\$5.9	LE 4.0
Total Per Course/Activity	\$27.2	LE 10.8

Number of Activities Per Year

1983/84 - 4	\$108.8	LE 43.2
1984/85 - 4	108.8	43.2
1985/85 - 3	81.6	32.4

B.5 Fellowships at Cairo University for Ministry Personnel

<u>For Each Fellow</u>	<u>\$</u>	<u>LE</u>
Stipend		4.8
Typing, Supplies, Books		1.8
Computer		3.0
One Trip to MIT		
Airfare	1.5	
MIT Overhead @ .07	.1	
Per Diem (30 x 70)	2.2	
Local Transportation	.4	
Supplies, Computer	1.0	
MIT Overhead @ .58	<u>2.1</u>	
Total Per Fellow	\$7.3	LE 9.6
 <u>Number of Fellowships Per Year</u>		
1983/1984 - 2 fellows	\$14.6	LE 19.2
1984/1985 - 2 fellows	14.6	19.2
1985/1986 - 1 fellow	7.3	9.6

C. DRTPC RESEARCH SUPPORT SYSTEMS

<u>C.1 Computer Facility at DRTPC</u>	<u>1983/84</u>	<u>1984/85</u>	<u>1985/86</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
<u>From MIT</u>			
Hardware	80.0	50.0	35.0
Freight (no overhead)	4.0	2.0	1.3
Software	50.0	20.0	10.0
Supplies	30.0	20.0	15.0
Freight	4.0	3.0	2.0
MIT Overhead @ .07	5.9	3.0	1.9
Training at MIT	10.0	5.0	5.0
MIT Overhead @ .58	<u>5.8</u>	<u>2.9</u>	<u>2.9</u>
Total from MIT	\$189.7	\$105.9	\$73.1
<u>At the DRTPC</u>	<u>LE</u>	<u>LE</u>	<u>LE</u>
Staff (6)	20.0	15.0	10.0
Uninterruptable Power Supply	100.0	-	-
Maintenance & Insurance	70.0	52.5	35.0
Training	5.0	3.8	2.5
Supplies	<u>35.0</u>	<u>26.3</u>	<u>17.5</u>
Total at DRTPC	LE 230.0	LE 97.6	LE 65.0

C.2 DRTPC Library

	<u>1983/84</u>	<u>1984/85 and 1985/86</u>
<u>From MIT</u>	<u>\$</u>	<u>\$</u>
Equipment and Supplies	10.0	7.5
Books	30.0	20.0
References and Indexes	7.5	5.0
Journals	5.0	3.0
MIT Overhead @ .07	<u>3.7</u>	<u>2.5</u>
Total	\$56.2	\$38.0

At DRTPC

	<u>LE</u>	<u>LE</u>
Staff	10.0	7.5
Equipment and Supplies	15.0	10.0
Books, References, Journals	<u>20.0</u>	<u>15.0</u>
Total	LE 45.0	LE 32.5

D. CU/MIT RESEARCH

D.1 CU/MIT Long Term Projects

For Each Project

MIT Project Team

Principal Investigator (10% x 9 + 1 SM)	9.5	
Junior Faculty/Staff (50%)	14.0	
Research Assistant 9 x 725	6.5	
Secretary (25%)	4.0	
MIT Benefits @ .38	12.9	
MIT Overhead @ .58	27.2	
Total Salaries	<u>\$74.1</u>	

CU Project Team

Principal Investigator and Other Senior Faculty - 1,000 hours/year		7.0
Junior Faculty - 1,500 hours/year		7.5
Ministry Participants - 1,500 hours/year		7.5
Students and Technicians		<u>1.5</u>
Total Salaries		LE 23.5

Travel

6 Airfares	9.0	-
MIT Overhead on Airfares @ .07	.6	
Per Diem in Cairo (3 x 7 x 94)	-	2.8
Per Diem in Boston (3 x 7 x 75)	1.6	-
Local Transport and Int'l Per Diem	1.0	1.8
MIT Overhead on Remaining Travel @ .58	1.3	-
Total Travel	<u>\$13.5</u>	LE 4.6

Expenses

Computer Charges	2.5	3.5
Other Materials and Services	2.5	3.5
MIT Overhead @ .58	2.9	-
Total Expenses	<u>\$7.9</u>	LE 7.0

Total Per Project \$95.5 LE 35.1

Projects Per Year

1983/84 - 5 projects	\$754.0	LE 280.8
1984/85 - 8 projects	764.0	280.8
1985/86 - 2 projects	191.0	79.4

D.2 CU/MIT Short Term Projects

For Each Project

MIT Project Team

1 Senior Faculty @ 20% for 6 months	6.0	
1 Junior Faculty @ 20% for 6 months	3.3	
1 Research Assistant @ 25% for 6 months	2.2	
MIT Benefits @ .38	4.4	
MIT Overhead @ .58	9.2	
Total Salaries	<u>\$25.1</u>	

CU Project Team

1 Senior Faculty @ 50 hours/month		2.1
2 Junior Faculty @ 50 hours/month		3.0
Ministry Participants		3.0
Total Salaries		<u>LE 8.1</u>

Travel

3 Airfares	4.5	-
MIT Overhead on Airfares @ .07	.3	-
Per Diem in Cairo (2 x 10 x 94)	-	1.9
Per Diem on Boston (1 x 10 x 75)	.7	-
Local Transportation	.2	1.0
MIT Overhead on Remaining Travel @ .58	.5	-
Total Travel	<u>\$6.2</u>	<u>LE 2.9</u>

Expenses

Computer	2.5	2.5
Materials and Services	2.5	2.5
MIT Overhead @ .58	2.9	-
Total Expenses	<u>\$7.9</u>	<u>LE 5.0</u>

Total Per Project

\$39.2 LE 16.0

Projects Per Year

1983/84 - 3 projects	\$117.6	LE 48.0
1984/85 - 2 projects	78.4	32.0

E. ADMINISTRATION

	<u>1983/1984</u>		<u>1984/1985</u>		<u>1985/1986</u>	
	<u>\$</u>	<u>LE</u>	<u>\$</u>	<u>LE</u>	<u>\$</u>	<u>LE</u>
<u>E.1 DRTPC Staff</u>						
<u>Executive Committee</u> 3 members		24.0		24.0		24.0
<u>Other Staff</u>						
Section Heads (4)		20.0				
Administrative Assts. (3)		12.0				
Accounting Staff (5)		15.0				
Secretaries (6)		12.0				
Editorial Asst. and Translator (2)		5.0				
Clerks (4)		8.0				
Workers (10)		10.0				
Subtotal (34)		<u>82.0</u>		<u>67.7*</u>		<u>49.6*</u>
Social Insurance		<u>13.0</u>		<u>10.8*</u>		<u>7.9*</u>
Total Staff		LE119.0		LE102.5		LE81.5

E.2 DRTPC Expenses

<u>Equipment (no MIT overhead)</u>						
Photocopy and Reproduction		20.0				
Typewriters		5.0				
Audiovisual	2.5	-				
Binding	1.0	-				
Other	4.0	7.0				
Air Freight	2.5	-				
Subtotal	<u>10.0</u>	<u>32.0</u>	<u>7.0</u>	<u>24.0**</u>	<u>5.0</u>	<u>15.0**</u>
<u>Other Expenses</u>						
Maintenance	-	10.0	-	7.5**	-	5.0**
Supplies	10.0	30.0	8.0	22.5**	6.0	15.0**
Air Freight and Pouch	10.0	8.0	10.0	8.0	8.0	8.0
Communications	-	15.0	-	11.3**	-	7.5**
Transportation	-	30.0	-	22.5**	-	15.0**
MIT Overhead @ .07	<u>1.4</u>	<u>-</u>	<u>1.3</u>	<u>-</u>	<u>1.0</u>	<u>-</u>
Total Expenses	\$31.4	LE125.0	\$26.3	LE95.8	\$20.0	LE66.5

*10% escalator has been added for expected salary and corresponding increases in social insurance.

**DRTPC will cover 25% of these costs in 1984/85, 50% in 1985/86.

<u>E.3 MIT Staff</u>	<u>1983/1984</u>	<u>1984/1985</u>	<u>1985/1986</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Administrative Officer	31.4	33.4	17.8
Administrative Assistants	46.0	36.7	26.1
Secretary	16.0	8.5	9.1
Accounting Assistant	<u>9.0</u>	<u>9.6</u>	<u>10.2</u>
Subtotal	102.4	88.2	63.2
MIT Benefits @ .38	38.9	33.5	24.0
MIT Overhead @ .58	<u>82.0</u>	<u>70.6</u>	<u>50.6</u>
Total	\$223.3	\$192.3	\$137.8

Note: 6.5% inflation escalator applied to salaries

E.4 MIT Direct Expenses

Telex @ 600/month	7.2		
Telephone @ 400/month	4.8		
Photocopy @ 300/month	3.6		
Publications @	12.0		
Consumables @ 1,800/month	<u>21.6</u>		
Subtotal	49.2		
MIT Overhead @ .53	<u>28.5</u>		
Total	\$77.7	\$62.2*	\$62.2*

*20% reduction in 1984/85 and 1985/86

E.5 Administrative Travel

<u>30 Trips*</u>	<u>1984/1985</u>		<u>1984/1985 and 1985/1986</u>	
	<u>\$</u>	<u>LE</u>	<u>\$</u>	<u>LE</u>
Airfare	45.0			
Int'l Per Diem	3.8			
USAID Overseas Supplement for MIT Staff***	35.0			
MIT Overhead @ .07	5.8			
Per Diem in Cairo (20 x 94 x 10)	-	18.8		
Local Transportation in Egypt	-	4.0		
Per Diem in U.S. (10 x 75 x 10)	7.5	-		
Local Transportation in U.S.	1.5	-		
Other U.S. Travel	3.0	-		
MIT Overhead @ .58	7.0	-		
Total	\$108.6	LE22.8	\$86.9**	LE18.2**

*Approximate breakdown of trips:

To Cairo:	Program Director	5
	Policy Committee Chairman	5
	Technical Officer	2
	Administrative Officer	2
	Policy Committee Members	2
	MIT Administration	2
	MIT/TAP Rep. and Dependents	<u>2</u>
	Total	20
To MIT:	CU Executive Committee	5
	DRTPC Director	3
	Other Staff	<u>2</u>
	Total	10

**Reduced by 20% for last two years

***Includes research as well as administrative staff

F. DRTPC ADMINISTRATIVE SUPPORT

	<u>1983/1984</u>		<u>1984/1985</u>		<u>1985/1986</u>	
	<u>\$</u>	<u>LE</u>	<u>\$</u>	<u>LE</u>	<u>\$</u>	<u>LE</u>
<u>F.1 MIT Resident</u>						
Salary (inc. incentives and allowances plus 6.5% escalator)	69.3		73.8		78.6	
MIT Benefits @ .421	29.2		31.1		33.1	
MIT Overhead @ .07	6.9		7.3		7.8	
Subtotal	<u>105.4</u>		<u>112.2</u>		<u>119.5</u>	
Freight and Storage	10.0	10.0	2.0	--	2.0	-
MIT Overhead @ .07	.7	-	.1	--	.1	-
Apartment Rental	-	10.0	-	10.0	-	10.0
Renovations and Utilities	-	<u>4.0</u>	-	<u>4.0</u>	-	<u>4.0</u>
Total	\$116.1	LE24.0	\$114.3	LE14.0	\$121.6	LE14.0

F.2 Other MIT Support

Support from:	6 mos.		4 mos.		4 mos.	
Office of Sponsored Res.	16.5		12.1*		13.3*	
Comptroller's Office Personnel						
Computer						
Library						
MIT Benefits @ .38	6.3		4.6		5.0	
MIT Overhead @ .58	13.2		9.7		10.6	
6 Airfares to Cairo	9.0		(4) 6.0		6.0	
International Per Diem	.6		.4		.4	
Per Diem in Cairo (6x14x94)	-	7.9	-	5.3	-	-5.3
Local Transportation	-	1.7	-	1.1	-	1.1
MIT Overhead on Travel @ .07	<u>.7</u>	-	<u>.5</u>	-	<u>.5</u>	-
Total	\$46.3	LE9.6	\$33.3	LE6.4	\$35.8	LE6.4

*6.5% inflation escalator applied to salaries

G. DISSEMINATION OF RESULTS

	<u>\$</u>	<u>LE</u>
<u>Conferences, Seminars, Workshops</u>		
Supplies, Transportation, Extra Staff, Programs, and Preprints		
Two Large Conferences	3.5	7.0
Six Seminars and Workshops	<u>1.5</u>	<u>3.0</u>
Subtotal	5.0	10.0
<u>Publications</u>		
Newsletters, Brochures, Conference Proceedings	6.2	10.0
MIT Overhead @ .07	<u>.8</u>	<u>-</u>
Total	\$12.0	LE 20.0
 <u>Total for Each Year</u>		
1983/1984	\$12.0	LE 20.0
1984/1985	7.0	10.0
1985/1985	7.0	10.0

H. DRTPC INDIRECT COSTS

	<u>1983/84</u>	<u>1984/85</u>	<u>1985/86</u>	<u>7/86-12/86</u>
	<u>LE</u>	<u>LE</u>	<u>LE</u>	<u>LE</u>
Reimbursement to Cairo University for services in support of DRTPC development (during period up to effective date of extension) ¹				
DRTPC indirect costs ²	450.0	357.0	160.9	20.0

¹To be reimbursed to Cairo University at the rate of 109% of certain faculty and academic administrative salaries in accordance with terms of current contract.

²From the effective date of the extension and for the remainder of calendar year 1984, the Program will directly reimburse the DRTPC for some of the indirect costs incurred by the Center in support of the Program, at a rate of 32% of the total direct costs billed to the Program each month. The total indirect cost reimbursement for this first year is however limited to a maximum amount of LE450,000.

During the first year of the Program extension (estimated to be from January 1, 1984 to December 31, 1984) a forecast of the Center's indirect costs for the period January 1, 1985 to June 30, 1985 will be prepared, consisting of: (1) a percentage of the Center's administrative costs previously paid directly by the CU/MIT Program (including a rate negotiated between the Center and Cairo University for the indirect cost items provided by Cairo University to the Center); and (2) other indirect expenses projected to be incurred by the Center. An overhead base will also be estimated consisting of the total direct costs of sponsored research projected for the period. The resulting proposed rate will then be negotiated with USAID/Cairo and applied to the USAID/MIT contract. Payment will be made by the Program to the DRTPC on a monthly basis.

An indirect cost rate for the DRTPC's fiscal year beginning July 1, 1985 through June 30, 1986 will be negotiated between USAID/Cairo and the DRTPC prior to the start of that fiscal year and annually for each fiscal year thereafter. Payment of this negotiated rate will be made by the Program to the DRTPC on a monthly basis. This process of annual negotiation of the indirect cost rate will continue through the life of the contract.

I. MIT PHASE-OUT COSTS

July-December 1986

Salaries (6 months)

	<u>\$</u>	<u>LE</u>
MIT Resident in Cairo	39.3	
MIT Benefits @ .421	16.5	
MIT Overhead @ .07	3.9	
3 Egyptian Staff (incl social insurance)	-	10.0
MIT Technical Officer and Admin. Officer	41.9	
2 Other Staff at MIT	23.1	
Benefits @ .38	24.7	
Overhead @ .58	<u>52.0</u>	
Total Salaries	\$201.4	LE 10.0

Expenses

Apartment Rental	-	5.0
Freight and Storage	1.0	10.0
Pouch	5.0	5.0
MIT Overhead @ .07	.4	-
Other Direct Expenses	20.0	20.0
MIT Overhead @ .58	11.6	-
Accrued Benefits for Egyptian Office Staff, Payable Upon Termination	-	12.0
Total Expenses	<u>\$38.0</u>	<u>LE 52.0</u>
Total MIT Phaseout Costs	\$239.4	LE 62.0

Appendix II

Summary Statement of DRTPC Indirect Costs
for
First Year of Phase III of CU/MIT Technological Planning Program

1.	<u>Plant Cost - Use of Facilities</u>	
	Annual rental value estimated as 14% of capital value	LE196,000*
	Capital value of Center space estimated as 3500 m ² @ LE 400/m or LE 1,400,000	
2.	<u>Plant Cost - Maintenance</u>	
	Maintenance costs estimated as 20% of rental value	39,200
	(i.e., water pumps, air conditioning maintenance contracts, painting, custodial services, etc.)	
3.	<u>Plant Cost - Utilities</u>	
	Electricity, water, basic telephone and basic telex	6,000
4.	<u>Plant Cost - Space Changes</u>	
	Planned or in-process space changes	140,000
	(i.e., computer site preparation, library renovation, bathroom upgrading, etc.)	
5.	<u>Plant Cost - Other Research and Other Office Space</u>	
	(annual rental value estimated as 25% of value of DRTPC space under item (i))	49,000*
6.	<u>Security</u>	
	DRTPC security estimated as 4 staff @ LE 300/mo x 12 mos	7,200
	Cairo University Campus security also estimated as	7,200*
7.	<u>Salaries and Benefits for Delegated Staff</u>	
	Based on 30 delegated staff at average rate of LE 175/mo for base salary, social insurance, etc.	
	30 @ LE 175/mo x 12 mos	63,000*

* Indirect costs incurred by Cairo University on behalf of the DRTPC.

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8.	<u>Academic Administration and General Administrative Co</u>	
8.1	<u>Manpower Development Programs</u>	
	Supervision and academic administration for D RTP Manpower Development Programs (i.e., doctoral fellowships, post doctoral fellowships, internships, etc.)	
	Estimated as 10% of direct costs of LE 275,000 (item D of proposed budget)	27,500*
8.2	<u>Long-Term Research Projects</u>	
	Based on 10% of faculty salaries for 9 projects @ LE 14,500/yr or LE 130,500 (part of item F.1 of proposed budget)	13,050*
8.3	<u>Short-Term Research Projects</u>	
	Based on 10% of faculty salaries for 5 projects @ LE 5,100/yr or LE 25,500 (part of item F.2 of proposed budget)	2,550*
9.	<u>Furniture and Equipment</u>	
9.1	<u>Furniture</u>	
	Estimated value of furniture in place or to be purchased	
	160 office units @ LE 550/unit, depreciated over five years	17,600
9.2	<u>Equipment</u>	
	Mini computers, calculators, voltage regulators, typewriters, etc.	10,000
9.3	<u>Insurance</u>	
	Fire and theft insurance for computer and other equipment	2,500
10.	<u>Library</u>	
	Services provided by Cairo University Central Library such as use of Cairo University library facilities, cataloguing of Center's books, etc.	5,000*
	<u>TOTAL</u>	<u>LE585,000</u>

DEVELOPMENT RESEARCH AND TECHNOLOGICAL PLANNING CENTER
CAIRO UNIVERSITY

STRATEGIC OPERATING PLAN

REVISED
JULY 1983

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INTRODUCTION TO REVISED VERSION, JULY 1983

The Strategic Operating Plan for the DRTPC originally prepared in May 1983 has been revised in light of the lower additional funding authorized by the Ministry of Investment and International Cooperation for the CU/MIT Program.

In accommodating the budget cut imposed by the Ministry of Investment and International Cooperation, the Program and the DRTPC have decided not to make drastic changes in the Program's overall objectives and composition, but rather to continue to operate as a comprehensive program on a smaller scale. Some of the overall results of the lower level of funding are expected to be the following:

1. The target for anticipated annual volume of the Center has been lowered from \$3.0 million to \$2.5 million.
2. Greater emphasis for funding will be on activities with more immediate marketing potential as opposed to those with a potential longer-range impact. Accordingly, the applied research activities of the Center will become larger relative to manpower development activities.
3. There will be fewer resources devoted to and therefore less capability and opportunity to penetrate "higher risk" areas in the Center's pool of potential clients. More emphasis will be on Egyptian ministries and organizations with proven capacity to fund sponsored research.
4. The Center plans to focus its efforts more heavily on short-term results; therefore, direct contracts from GOE ministries and organizations may form a greater part of the Center's income than anticipated previously.

Budget cuts have been heavier in some areas than others, given the need to accommodate the factors listed above. Comments on the individual budget sections follow:

DRTPC Research

Spending for MIT support was cut more than for DRTPC activities. The effort in Egypt was determined to be more important for short-term financial results.

Manpower Development

The effect of this activity was felt to be longer range, so it was cut more than any other area in order to keep funds in areas with financial results expected over a shorter period. There was one significant exception; funding for short courses was slightly increased because of the ability of this activity to (1) reach large numbers of ministry and CU personnel, (2) produce effective results, based on the Program's past experience, and (3) provide a high degree of visibility for the Center.

Research Support Systems

Computer development has remained a top priority item because of the potential income that may be generated and the competitive advantage it gives to the Center in obtaining research contracts. The dollar funding was cut more than the pound, in order to give priority to covering the operating costs of equipment already installed.

CU/MIT Research

This activity received the largest cut in terms of dollars (\$4.8 million to \$3.2 million). Greater emphasis on matching funds from participating ministries has already been implemented for 1983/84.

Administration

The new budget for this area is consistent with the overall cut to the Program budget. An increased effort will be made to allocate expenses

and salaries to the various research and other activities. The lowered size of staff and other administrative activities in the budget will reflect the overall lowering of the expected size of the Center.

I. STATEMENT OF OVERALL DRTPC OBJECTIVES

The concept of establishing a permanent institution, to foster and encourage research by Cairo University faculty and students on topics relevant to the development objectives of Egypt, was an outgrowth of the successful experience of the collaborative effort between Cairo University and MIT in the Technological Planning Program. This Program has been continuously sponsored by USAID since January 1977. The Program has pursued three specific objectives:

- (1) Mobilization of academic interest in research on specific development plans;
- (2) Organization of technical research in collaboration with Egyptian government ministries; and
- (3) Establishment of an institutional framework under Cairo University auspices capable of mobilizing research and educational activities of Cairo University faculty, and staff and students.

In order to sustain these efforts, in 1979 Cairo University established the Development Research and Technological Planning Center as an autonomous research unit. The Center is currently providing an institutional mechanism at Cairo University for conducting contract research with Egyptian ministries, public and private sector companies, and appropriate international organizations in the area of science, technology, and development.

The following general guidelines were established to provide a framework for the Center's objectives and organizational structure:

- (1) The principal activity of the DRTPC will be research. The Center will emphasize sponsored programs with specific objectives.

- (2) The research will focus on those areas of science, technology and development which address the development goals of the Government of Egypt. This research will not duplicate the work of other government agencies.
- (3) The Center's educational activities will concentrate on fellowships, short courses, and workshops which support the training of research personnel at universities and government ministries, as opposed to the granting of academic degrees.
- (4) The Center will establish effective mechanisms for utilizing Cairo University faculty members and the faculty members from other Egyptian universities in its research programs, and does not plan to develop a permanent research staff.
- (5) The quality of the research will be monitored by appropriate faculty committees, to insure compliance with the standards and objectives of the Center.

The Center is currently seeking funding from USAID for an additional three year period in order to complete a final, carefully structured phase for consolidating and strengthening the Center's institutional components. To this end, this Strategic Operating Plan has been developed, and includes sections for each major area of Center activity: applied research, manpower development, and organization and administration. A fourth section of this plan discusses financial self-sufficiency.

II. INTRODUCTION TO STRATEGIC PLANS FOR THE DRTPC'S THREE AREAS OF OPERATION

The Center views the proposed three year period as a transition state from reliance on USAID funding to reliance on other sources of funding - a period which requires carefully defined planning strategies and management structures. The Center has organized its planning strategies in the three areas of applied research, manpower development and organization/administration. Within this framework, human, financial and technical resources will be coordinated to gradually increase operational strength and financial self-sufficiency. New or modified role relationships will be achieved, vis-a-vis USAID, MIT, Cairo University, the Government of Egypt and other organizations.

In this regard, the Center has begun the process of:

- (1) Describing the present institutional status of the Center, and identifying areas for short-term and long-term change.
- (2) Setting objectives and defining end-of-project status in terms of specific indicators of achievement, both final and interim.
- (3) Defining appropriate strategies for the transition state within each area.
- (4) Preparing action plans within each strategy area.
- (5) Instituting appropriate and effective review procedures to monitor and refine the change process.

The DRTPC Strategic Operating Plan will be used to clearly identify strategies, objectives, priorities, and methods whereby progress can be measured. A section has been prepared for each of the Center's three main areas of activity and is structured as follows. First, an overall statement is made of the strategies and objectives for each section.

Second, an assessment of current status is made, which focuses on quantitative indicators. Third, the primary end-of-project status objectives are presented, with potential strategies, indicators, and use of resources. Finally, a statement is made concerning the specific means of reviewing the progress made by each individual area within the context of the Center's annual review.

This annual review will be undertaken by the DRTPC both to analyze total system performance and change, and the effects of specific institutionalization activities and efforts. It is considered to be an important mechanism in maintaining momentum of effort towards achievement of end-of-project status. MIT will provide advice and assistance in this process as requested by the Center. USAID will review and discuss the results with the DRTPC and MIT.

In order to maximize the effectiveness of these reviews, the Center will follow the following standard principles of constructive evaluation:

- (1) The purpose or functions served by the review/evaluation must be clearly defined and accepted by the DRTPC Board.
- (2) The types of information needed will be specified, and appropriate sources identified.
- (3) The recipients of feedback will be designated, and the productive use of this feedback will be maximized.

Not only will the review process consider the Center's fiscal viability and efficiency of its internal operating systems, but also its performance within the larger demand environment.

The Center's anticipated reporting schedule is outlined in Table 1.

TABLE 1

DRTPC AND CU/MIT TECHNOLOGICAL PLANNING PROGRAM
REPORTING SCHEDULE

	<u>PRINCIPAL RESPONSIBILITY AND PARTICIPANTS</u>	<u>83/84</u>	<u>84/85</u>	<u>85/86</u>
<u>DRPC Annual Review and Strategic Plan</u> Review of strategies, objectives and financial status.	<u>DRTPC, with advice from MIT.</u> Results reviewed by USAID	Annual - at time of CU/MIT funding decisions (April-May of each year)	x	x continues into future
<u>DRTPC Marketing Strategy Plan</u> Progress and strategy towards self-sufficiency	<u>DRTPC, with MIT</u>	Within 6 months of extension, then becomes part of annual review and strategic plan, above.		
<u>Survey of Potential CU Faculty</u> In high priority sectors	<u>DRTPC</u>	Within 6 months of extension		
<u>DRTPC Annual Report</u> Reports progress in research, organi- zation, and manpower development, also a section (for limited distribution) on financial status	<u>DRTPC</u>	Annual - Shortly after DRTPC fiscal year ends (August-September)	x	x continues into future
<u>MIT Progress Reports to USAID</u> Includes progress reports from CU/MIT projects, summary of DRTPC reports	<u>MIT, with DRTPC</u>	Annual	x	x final

III. SPECIFIC PLANS

A. APPLIED RESEARCH

1. Introduction

The DRTPC guidelines state that:

- (a) "The principal activity of the DRTPC will be research. The Center will emphasize sponsored research programs with specific objectives."
- (b) "The research will focus on those areas of science, technology, and development which address the development goals of the government of Egypt."

During the institutional phase of the CU/MIT program, the Center plans to expand and diversify the research performed, maintaining the Center's standards for content and quality.

2. Overall Strategy

USAID funding will be used for research projects which will:

- (a) Broaden the base of involvement at CU and GOE ministries.
- (b) Lead to financial contributions and/or follow-on funding from GOE ministries and other organizations.
- (c) Develop areas of technical expertise which are required by the Center.
- (d) Create and strengthen institutional ties with GOE ministries and other organizations.

The joint CU/MIT long-term research projects will continue as an important part of the overall program--but on a reduced scale. The short-term joint CU/MIT research activities will be increased. A new area of "DRTPC Research" will be initiated to provide major support for the following:

- (a) Proposal preparation: short-term, limited funding to CU faculty members to prepare proposals in response to RFPs from Egyptian or international organizations.
- (b) Matching funds: funding for projects for which CU faculty members have obtained a commitment from an Egyptian agency to provide a specific amount of matching funds.
- (c) DRTPC-initiated research: short-term research projects which the Center will fund in order to develop a particular expertise, or to conduct initial research in an area of strong interest to the Egyptian government.
- (d) Ministry internships: funding for CU faculty members to spend a period of time conducting research within a ministry on a specific topic of mutual interest.

Provision has been made for MIT collaboration in some of the "DRTPC Research" activities, when there is a topic of mutual interest, or if the Center feels that MIT participation would be of particular benefit.

The Center will seek outside funding to complement the USAID funded activities and to generate an increasing amount of revenue

which will be sufficient to support the Center's operation costs by the end of the proposed USAID extension of the CU/MIT Project Agreement.

3. Current Status and Quantitative Indicators

Table 2 indicates the current quantitative indicators for which future targets have been set. Table 3 contains other quantitative indicators of current status. These are baseline figures against which future progress will be measured in the annual reviews conducted by the DRTPC.

4. Research Objectives

The attached sheets outline specific potential DRTPC strategies with respect to the following end-of-project status objectives for research:

- (a) Ministries convinced that resources of DRTPC can be used effectively to meet development needs of Egypt.
- (b) Environment created in ministries whereby DRTPC resources can be used effectively.
- (c) Significant numbers of CU faculty oriented towards research related to national goals.
Marketing skills developed for follow-on funding.
- (d) Environment created at Center which is conducive to research.
- (e) Perception of Center as "Center of Excellence".

The strategies and indicators listed in these sheets are intended to be suggestive rather than definitive. The scope is intentionally broad in order to give the Center several options during the coming years. It is expected that progress in the chosen strategies will lead to measurable results in the quantitative indicators.

TABLE 2

QUANTITATIVE INDICATORS AND TARGETS - CU/MIT PROGRAM RESEARCH

<u>ACTIVITY</u>	<u>CURRENT</u>	<u>NO. OF ACTIVITIES PROPOSED</u>		
	<u>82/83</u>	<u>83/84</u>	<u>84/85</u>	<u>85/86</u>
<u>CU/MIT Research Projects</u>				
Long Term	11	8	8	4
Short Term	1	3	2	2
<u>DRTPC Research</u>				
Proposal Preparation	0	14	14	7
Matching Funds	0	5	4	3
DRTPC-Initiated	0	5	4	3
Ministry Internships	5	14	14	14

TABLE 3
OTHER QUANTITATIVE INDICATORS OF RESEARCH ACTIVITIES

	CURRENT - 82/83	
	<u>CU/MIT</u>	<u>DRTPC</u>
No. of projects underway	11 long-term 1 short-term 5 min. interns	13
Current funding rate	\$1,400,000 LE 7,100,000*	approx. LE 200,000
No. of projects completed	8 long-term 1 short term 6 min. interns	5
Proposals outstanding	not applicable	4
Amt. of potential funding	not applicable	approx. LE 300,000
No. of CU faculties involved to date	20	8
No. of GOE ministries and public agencies involved to date	25	18 GOE 5 international
CU faculty involved in 82/83	78	65 estimated
Ministry personnel involved in 82/83	64	30 estimated
CU students involved in 82/83	68	40 estimated

*Funding for total CU/MIT Program.

APPLIED RESEARCH

END OF PROJECT STATUS: "MINISTRIES CONVINCED THAT RESOURCES OF DRTPC CAN BE USED EFFECTIVELY TO MEET DEVELOPMENT NEEDS OF EGYPT"

STRATEGIES	USE OF RESOURCES	INDICATORS
<ul style="list-style-type: none">▶ Strengthen and expand existing links to ministries that are already contracting with the Center- New ministries and CU faculty involvement in projects- Implementation of new selection criteria for CU/MIT projects (as outlined in proposal)- More short-term specific projects, and phasing out of projects which are no longer contributing to objectives of "Institutional phase"- Area coordinators appointed for various disciplines of research at the Center.	<p><u>Fiscal</u></p> <ul style="list-style-type: none">- USAID projects for seed money- GOE for matching funds, follow-on funds <p><u>Human</u></p> <ul style="list-style-type: none">- Current CU/MIT faculty and ministry for promotion- DRTPC admin. for control	<ul style="list-style-type: none">- Willingness to provide follow-on funding, as demonstrated by LE provided per year per activity- Different types of funding obtained (restricted and unrestricted)- Involvement of new ministries (both number and diversity)

APPLIED RESEARCH

END OF PROJECT STATUS: "ENVIRONMENT CREATED IN MINISTRIES WHEREBY
DRTPC RESOURCES CAN BE USED EFFECTIVELY"

STRATEGIES	USE OF RESOURCES	INDICATORS
<ul style="list-style-type: none">- Close DRTPC monitoring of research activities for evidence- Emphasis in CU/MIT project selection criteria- Ministry representatives appointed to DRTPC Board- Efforts continued to upgrade capabilities within ministries to interact with DRTPC	<p><u>Fiscal</u></p> <ul style="list-style-type: none">- USAID for seed money- Ministry funding of follow-on activities (at DRTPC or within ministry) <p><u>Human</u></p> <ul style="list-style-type: none">- DRTPC Admin. for review and control- CU faculty for review and documentation- Ministry personnel to encourage utilization of findings, and initiate follow-on activities	<ul style="list-style-type: none">- Specific evidence of incorporation of findings, methodologies, and willingness to build on expertise, as evidenced by:<ul style="list-style-type: none">policy changesspecific actions takennew areas of researchnew organizational units within ministriesfollow-on activities- Other evidence of manpower development, such as upgrading of skills

APPLIED RESEARCH

END OF PROJECT STATUS: "SIGNIFICANT NUMBERS OF CU FACULTY ORIENTED TOWARDS RESEARCH RELATED TO NATIONAL GOALS. MARKETING SKILLS DEVELOPED FOR FOLLOW-ON FUNDING"

STRATEGIES	USE OF RESOURCES	INDICATORS
<ul style="list-style-type: none">- Increase number of mini-projects, fellowships- Apply revised project selection criteria to (1) increase base of involvement and (2) continue to allow present projects to terminate- Prepare brochure- Conduct survey of faculty in priority marketing areas, and recruit via seminars or personal discussions	<p><u>Fiscal</u></p> <ul style="list-style-type: none">- USAID funds for seed money, and larger number of smaller projects <p><u>Human</u></p> <ul style="list-style-type: none">- DRTPC admin. for promotion and control- CU Deans and other faculty for recommendations- MIT faculty for collaboration	<ul style="list-style-type: none">- New departments and new faculties involved, in areas of potential funding for DRTPC- Follow-on funding and/or matching funds obtained, from old and new CU/MIT and DRTPC faculty- Other centers, programs developed by faculty trained under CU/MIT Program

APPLIED RESEARCH

END OF PROJECT STATUS: "ENVIRONMENT CREATED AT CENTER WHICH IS CONDUCIVE TO RESEARCH"

STRATEGIES

USE OF RESOURCES. INDICATORS.

- Continue present strategy of upgrading computer and library, and other facilities
- Encourage CU faculty to use Center premises for office space, workshops, seminars, etc.
- Continue present upgrading and modification of physical facilities
- Use excess computer capacity for selected outside research activities

Fiscal

- USAID funds for initial computer hardware and software, 100% of operating costs first year, decreasing during second and third years
- Similar USAID funding for library
- CU funds for renovations and modifications to DRTPC facilities

- Computer system operational and self-supporting
- Library system operational
- Utilization of offices and conference facilities
- Administrative systems responsive to needs of researchers

Human

- Continued CU delegation of qualified computer and library staff
- MIT staff used in advisory capacity
- CU faculty advise on acquisitions, renovations, etc.

APPLIED RESEARCH

END OF PROJECT STATUS: "PERCEPTION OF CENTER AS CENTER OF EXCELLENCE"

STRATEGIES	USE OF RESOURCES	INDICATORS
<ul style="list-style-type: none"> - Quality control mechanisms continued and strengthened, including: Faculty review of proposals Faculty review of results 	<u>Fiscal</u> <ul style="list-style-type: none"> - USAID funding for CU/MIT activities - Funding from GOE agencies and other outside sources for DRTPC activities - CU and GOE contribution of in-kind services (publishing costs, conference costs, staff time, lab. facilities, etc.) 	<ul style="list-style-type: none"> - High quality of research (state of the art, innovation, academic content) - Publication in prestigious technical journals - Participation in international conferences by DRTPC staff, and international participation in DRTPC conferences - New responsibilities conferred upon participants
<ul style="list-style-type: none"> - Brochure prepared for potential clients and new CU faculty participants 	<u>Human</u> <ul style="list-style-type: none"> - GOE and CU support and encouragement. Donation of staff time, in addition to that paid for by DRTPC research 	<ul style="list-style-type: none"> - Follow-on funding provided for high quality activities - Continuity of GOE and CU support through changes in administrations
<ul style="list-style-type: none"> - Ties with international institutions strengthened 	<ul style="list-style-type: none"> - CU faculty for promotion of activities and production of outputs 	<ul style="list-style-type: none"> - Institutional linkages established
<ul style="list-style-type: none"> - CU and DRTPC to take initiative in proposing, designing and implementing new activities. MIT involvement to be advisory only 	<ul style="list-style-type: none"> - Ministry personnel for promotion of results 	<ul style="list-style-type: none"> - Faculty members and ministries initiate involvement
<ul style="list-style-type: none"> - Comparison with other CU Centers, if experience is felt to be relevant 	<ul style="list-style-type: none"> - DRTPC management for quality control, establishment of ties, promotion of new activities 	<ul style="list-style-type: none"> - Institutional changes made at CU and GOE ministries, based on Center's example
<ul style="list-style-type: none"> - Continue large scale conferences and encourage projects to hold short courses and workshops 	<ul style="list-style-type: none"> - MIT in advisory role, also assist with promotion of institutional ties 	<ul style="list-style-type: none"> - DRTPC activities and procedures continuously modified to be responsive to current demands. Non-productive activities terminated

5. Research Evaluation Procedure Within Center's Annual Review

(a) Quantitative: Measurements against quantitative indicators contained in Tables 2 and 3.

(b) Quantitative/Qualitative: Other selected indicators of progress will be reviewed, in relation to strategies that have been implemented during the preceeding year, for example:

- Specific evidence of incorporation of findings by ministries.
- Papers and articles published.
- Institutional linkages established.
- Institutional changes made at CU and ministries.
- New responsibilities conferred upon participants.

(c) Other:

- Results of other specific activities which arise at a later time from the strategies in this framework.
- Progress in terms of other more general indicators such as "academic quality of research performed".

B. MANPOWER DEVELOPMENT

1. Introduction

A significant portion of the manpower development efforts at the DRTPC (for both ministry personnel and CU staff) will continue to take place within the framework of the research projects. This section deals with the Center's additional educational activities as outlined in the current proposal to USAID for the final three year period.

As stated in the DRTPC guidelines, the "Center's educational activities will concentrate on fellowships, short courses, and workshops which support the training of research personnel at universities and government ministries, as opposed to the granting of academic degrees." Subject matter will be multi-disciplinary, emphasizing project analysis and management techniques, socio-economic analysis methodologies, aspects of technology adaptation and development, and other topics of relevance to research underway or contemplated at the DRTPC.

2. Overall Strategy

Continue and expand base of involvement in those activities which have proven to be useful in the past (doctoral fellowships, postdoctoral fellowships, research fellowships at MIT, short courses). Emphasis will be towards those activities which will promote follow-on funding for the Center (e.g., postdoctoral fellowships as opposed to doctoral fellowships). Initiate Center-wide short courses, internships at Cairo University for ministry personnel, and course development activity at Cairo University. USAID funding will be used for all activities, with an effort to obtain either specific funding or endowments from the Government of Egypt for continuation of manpower development

activities at the termination of the USAID contract.

3. Current Status and Quantitative Indicators

Tables 4 and 5 give similar data to that presented in the section on research.

4. Manpower Development Objectives

The attached sheets outline specific potential DRTPC strategies with respect to the following end of project status objectives for manpower development.

(a) Fellowships:

- Development of CU faculty/students and ministry personnel, with regard to project evaluation skills and advanced research methodologies.
- Orientation towards development-orientated research on the part of CU faculty/students.

(b) Short Courses

Center to offer short courses related to development planning issues, methodologies and techniques, for both CU and ministry personnel.

(c) Course Development

Increase content of Cairo University academic courses, with regard to science, technology, and development, and specific areas of interest to the Center (e.g. project analysis and management techniques.)

As in the research section, the material presented in these sheets is intended to be suggestive rather than definitive.

QUANTITATIVE INDICATORS AND TARGETS
MANPOWER DEVELOPMENT ACTIVITIES FROM CU/MIT PROGRAM

<u>ACTIVITY</u>	<u>CURRENT</u>	<u>NO. OF ACTIVITIES PROPOSED</u>		
	<u>82/83</u>	<u>83/84</u>	<u>84/85</u>	<u>85/86</u>
<u>Postdoctoral fellowships for CU faculty</u>	15	10	10	5
<u>Doctoral fellowships for CU students</u>	14	5	5	3
<u>Research fellowships at MIT (for either CU or ministry personnel)</u>	3	2	2	1
<u>Short Courses (both CU and ministry personnel)</u>	1	4	4	3
<u>Fellowships at CU for ministry personnel</u>	0	2	2	1

TABLE 5
OTHER QUANTITATIVE INDICATORS
MANPOWER DEVELOPMENT ACTIVITIES

	<u>CU/MIT</u>
Postdoctoral Fellowships for 82/83	14
Doctoral Fellowships for 82/83	14
Research Fellowships/MIT	3
Short courses held to date by Research Projects (seminars/workshops not included)	8
Short courses expected from projects for next year	approx. 3
No. of fellowships completed at CU to date (since 81/82)	6
No. of fellowships completed at MIT (since 1977)	4 M.S. 5 Ph.D. 3 Postdoc 2 Other
No. of CU faculties represented	17

Note: As with Table 3, these are baseline figures against which future progress will be measured in the annual reviews conducted by the DRTPC.

"DEVELOPMENT OF CU FACULTY/STUDENTS AND MINISTRY PERSONNEL, WITH REGARD TO PROJECT EVALUATION SKILLS AND ADVANCED RESEARCH METHODOLOGIES"

"ORIENTATION TOWARD DEVELOPMENT-ORIENTED RESEARCH ON THE PART OF CU FACULTY/STUDENTS"

STRATEGIES	USE OF RESOURCES	INDICATORS
- Continued promotion of fellowships, and quality control.	<u>Fiscal</u> - USAID for initial funding	- Successful awarding of internships in terms of numbers, diversity and content
- Requirement for final report to include strategies for follow-on efforts	- GOE for additional funding, endowments, matching funds	- Publication, presentation, and/or implementation of results
- Evaluation by supervisors or counterparts	<u>Human</u> - CU faculty for supervision (doctoral)	- Willingness of top quality CU and MIT faculty to serve as advisors.
- Targeting for awards in areas where potential for funding exists, including assessment of new ministry and public sector co. potential	- DRTPC for supervision (postdocs) - Fellowship advisor for coordination	- New responsibilities assigned to participants, opportunities to continue utilization of new skills
- Investigate potential for endowments and other unrestricted funds for activities in addition to those funded by CU/MIT	- DRTPC for selection - CU Dean for nominations - MIT faculty for advice and guidance - Ministry personnel for collaboration and evaluation	- Endowments or other funds received for continuation of similar efforts

"CENTER TO OFFER SHORT COURSES RELATED TO DEVELOPMENT PLANNING ISSUES, METHODOLOGIES AND TECHNIQUES"

STRATEGIES

USE OF RESOURCES

INDICATORS

<ul style="list-style-type: none"> - Planning for DRTPC short courses, including survey of faculty and ministry personnel to determine likely appropriate topics 	<p><u>Fiscal</u></p> <ul style="list-style-type: none"> - USAID funds for project and Center-wide efforts - Matching funds and in-kind contributions from GOE - Endowments from GOE for long-term continuation of effort 	<ul style="list-style-type: none"> - Number of courses presented each year (3-5 by Center, equal number by projects) - Matching funds or funds for new courses provided by ministries
<ul style="list-style-type: none"> - Evaluation of results of short courses held, to determine utility and means for improvement (questionnaires and follow-on discussions with participants and supervisors) 	<p><u>Human</u></p> <ul style="list-style-type: none"> - CU/MIT faculty and DRTPC faculty for instruction - Previous participants and supervisors for feedback - Advice from MIT departments and centers with similar experience 	<ul style="list-style-type: none"> - Publication of results - New faculties and ministries involved - Evidence of utilization of new skills

"INCREASE CONTENT OF CU ACADEMIC COURSES, WITH REGARD TO SCIENCE, TECHNOLOGY, AND DEVELOPMENT, AND SPECIFIC AREAS OF INTEREST TO THE CENTER (E.G. PROJECT ANALYSIS AND MANAGEMENT TECHNIQUES)"

<u>STRATEGIES</u>	<u>USE OF RESOURCES</u>	<u>INDICATORS</u>
- Appoint faculty committee to survey course offerings at CU to select likely targets	<u>Fiscal</u> - USAID funds for first three years	- Course content changed
- Discuss possibilities with CU faculty on CU/MIT Program, and other DRTPC faculty	- DRTPC endowment funds if available and if effort is to be expanded	- Lectures presented by CU and/or MIT faculty
	<u>Human</u> - CU/MIT faculty for instruction and design	- New courses developed
	- Other interested CU and MIT faculty for contributions	- Evidence of new cooperation between various CU faculties, for courses with multidisciplinary content

5. Manpower Development Evaluation Procedure, Within Center's Annual Review

(a) Quantitative:

Measurements against quantitative indicators contained in Tables 4 and 5.

(b) Quantitative/Qualitative:

Selected indicators of progress will be reviewed, related to strategies that have been implemented during the preceeding year, for example:

- New level of responsibility assumed at home organization for participants.
- Home organizations willing to send other candidates and possibly contribute some of the costs.
- Research results published in standard journals or presented at conferences.
- Publication of proceedings or course notes from short courses.

(c) Other

- Results of other specific activities which arise at a later time from the strategies in this framework.
- Progress in terms of other more general indicators.

C. ADMINISTRATION AND ORGANIZATION

1. Introduction

The Center's overall objective in this area is "development of an organizational structure and staff capable of providing full administrative support to the Center's research and manpower development activities." In this regard, considerable progress has been made in hiring qualified staff and strengthening related administrative procedures. Development efforts are expected to continue in all areas, with current priority given to accounting and legal affairs, report production, computer, and library.

2. Overall Strategy

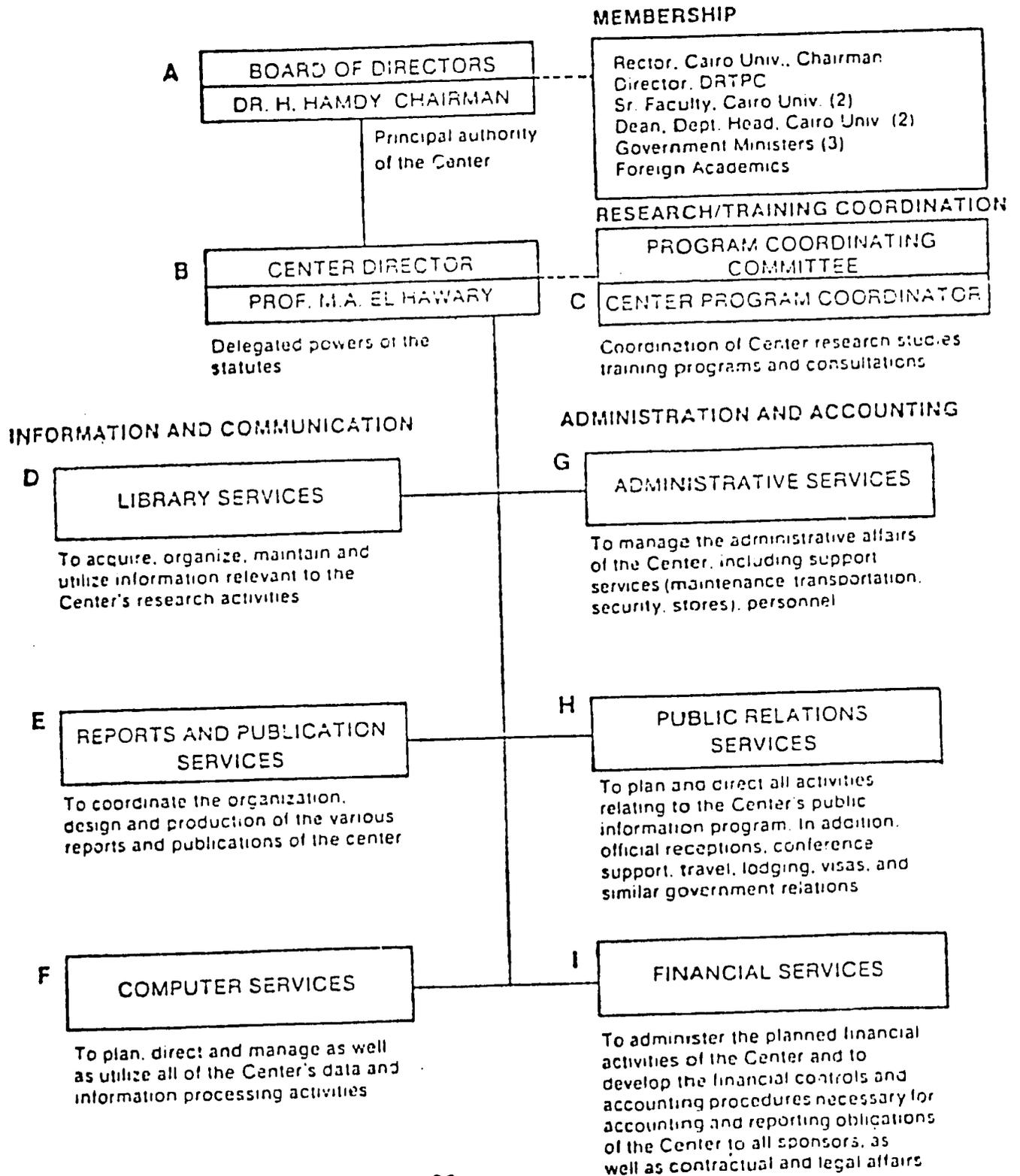
Direct hire of highly qualified personnel to fill key supervisory positions. Continued delegation of Cairo University personnel for support positions, which will allow flexibility in returning employees to Cairo University when funds are not available. Continued utilization of MIT and CU administrative personnel in development of procedures and training.

3. Current Status and Objectives, Strategies and Indicators

The attached chart (Figure 1 from the Proposal) outlines the organization plan, and the overall objective of each section. The sheets that follow outline status, strategies, indicators and use of resources for the individual sections.

FIGURE 1

ORGANIZATIONAL STRUCTURE OF THE CENTER OF DEVELOPMENT RESEARCH AND TECHNOLOGICAL PLANNING (DRTPC); CAIRO UNIVERSITY



1. FINANCIAL SERVICES

END OF PROJECT STATUS: "TO ADMINISTER THE PLANNED FINANCIAL ACTIVITIES OF THE CENTER AND TO DEVELOP THE FINANCIAL CONTROLS AND ACCOUNTING PROCEDURES NECESSARY FOR ACCOUNTING AND REPORTING OBLIGATIONS OF THE CENTER TO ALL SPONSORS, AS WELL AS CONTRACTUAL AND LEGAL AFFAIRS"

<u>CURRENT STATUS</u>	<u>STRATEGIES</u>	<u>USE OF RESOURCES</u>	<u>INDICATORS</u>
<u>Accounting</u> Manual system for CU/MIT accounts. Trial balance prepared which is verified at MIT. Other Center accounts kept manually according to requirements of sponsor. Computer hardware and software selected. Transition process planned.	Indirect cost system designed for Center, with rate negotiated annually. Proceed with computerization of system. Development of cost centers for computer, report production, word processing, etc.	<u>Fiscal</u> USAID funding for 100% of costs first year, 75% second year, 50% third year. Rest to come from funds collected from other DRTPC sources. <u>Human</u> MIT and CU personnel for joint design of computerized system, indirect cost system, other procedures.	Fully integrated and automated system which provides regular and comprehensive financial reports to management. Cost centers and indirect cost system fully operational.
<u>Legal Affairs - Contract/Grant Management</u> Contracts reviewed by CU faculty, and MIT as requested DRTPC contracts and proposals approved by Director and Board of Directors	Contract manager hired Proposal and contract review systems formalized Negotiation procedures defined	<u>Fiscal</u> Same as above <u>Human</u> MIT and CU personnel for advisory services	System in place which: reviews proposals and contracts, seeks necessary authorizations, reviews sub-contracts and purchase orders, monitors other activities, and insures that contractual obligations are met.

CURRENT STAFF: 5

EXPECTED STAFF: 13

2. ADMINISTRATIVE SERVICES

END OF PROJECT STATUS: "TO MANAGE THE ADMINISTRATIVE AFFAIRS OF THE CENTER, INCLUDING SUPPORT SERVICES, (MAINTENANCE, TRANSPORTATION, SECURITY, STORES) AND PERSONNEL."

CURRENT STATUS	STRATEGIES	USE OF RESOURCES	INDICATORS
<u>Personnel</u>			
Policy manual and organization plan complete	Increased recruiting efforts in priority areas	<u>Fiscal</u> USAID funding for 100% of staff costs first year, 75% second year, 50% third year. Rest to come from funds collected from other DRTPC sources	Successful recruitment and compensation of targeted staff
Recruiting underway for larger staff and reassignment of duties in accordance with organization plan	Annual wage and salary review process begun		Policy manual and organization plan updated as required
	Annual performance review		Records continued
Continuous training by MIT staff	Personnel files computerized	<u>Human</u> MIT and CU personnel for advisory services	Records maintained accurately
<u>Support Services</u>			
Maintenance, security, transportation systems operational at current level	Establish systems for storage, inventory, and maintenance of supplies and	Same as above	All systems functioning

CURRENT STAFF: 15

EXPECTED STAFF: 19

3. REPORTS AND PUBLICATIONS

END OF PROJECT STATUS: "TO COORDINATE THE ORGANIZATION, DESIGN, AND PRODUCTION OF THE VARIOUS REPORTS AND PUBLICATIONS OF THE CENTER"

CURRENT STATUS	STRATEGIES	USE OF RESOURCES	INDICATORS
Limited amount of report production and reproduction capacity	Acquisition of larger capacity reproduction equipment	<u>Fiscal</u> USAID funding for 100% of costs first year, 75% second year, 50% third year. Rest to come from funds collected from other DRIPC sources.	Full capacity to design, edit, prepare, and reproduce Center publications
Three word processing units in place	Graphic capability strengthened. All formats designed.		
Graphic designer hired, and initial work done on formats for Center publications.	Editing capability expanded.	<u>Human</u> MIT and CU personnel for advisory services	
	Second installment of word processing equipment		

CURRENT STAFF: 7

EXPECTED STAFF: 15

4. PUBLIC RELATIONS

END OF PROJECT STATUS: "TO PLAN AND DIRECT ALL ACTIVITIES RELATING TO THE CENTER'S PUBLIC INFORMATION PROGRAM. IN ADDITION: OFFICIAL RECEPTIONS, CONFERENCE SUPPORT, TRAVEL, LODGING, VISAS, AND SIMILAR GOVERNMENT RELATIONS."

CURRENT STATUS	STRATEGIES	USE OF RESOURCES	INDICATORS
Travel arrangements, conference management, and other services provided	Expand capacity, in accordance with Center growth, for conference management, interaction with press and government agencies	Same as above	All systems functioning

CURRENT STAFF: 4

EXPECTED STAFF: 5

5. COMPUTER END OF PROJECT STATUS: "TO PLAN, DIRECT AND MANAGE AS WELL AS UTILIZE ALL OF THE CENTER'S DATA AND INFORMATION PROCESSING ACTIVITIES."

CURRENT STATUS	STRATEGIES	USE OF RESOURCES	INDICATORS.
System manager and initial staff appointed	Encourage DRTPC research staff to use system	<u>Fiscal</u> USAID funding for 100% of costs first year, 75% second year, 50% third year. Rest collected from user fees.	All systems functioning
Basic operating system in place, including maintenance contracts	Continued development of user rate structure, which comprises operating, depreciation, and development costs	<u>Human</u> MIT and CU personnel for advisory services	
Training programs planned and material ordered			
Initial fee structure developed and users on line	Mechanisms and policies established for outside users		
Programs from CU/MIT research projects transferred from the MIT and Cairo University computer facility	Increased capacity for users, and for different applications (i.e., hardware and software procurement)		
CURRENT STAFF: 4			EXPECTED STAFF: 6 (may be subject to change)

6. LIBRARY END OF PROJECT STATUS: "TO ACQUIRE, ORGANIZE, MAINTAIN AND UTILIZE INFORMATION RELEVANT TO THE CENTER'S RESEARCH ACTIVITIES."

CURRENT STATUS	STRATEGIES	USE OF RESOURCES	INDICATORS.
Initial efforts at collection building underway	Acquisition and service policies defined and implemented	<u>Fiscal</u> USAID funding for 100% of costs for first year, 75% second year, 50% third year. Rest to come from other DRTPC sources.	All systems functioning
CU/MIT and DRTPC reports transferred to library	Distribution system for Center reports established	<u>Human</u> MIT and CU personnel for advisory services	Fully interactive with other information centers at Cairo University and in Egypt.
CU library handling cataloging of acquisitions			
CURRENT STAFF: 2			EXPECTED STAFF: 3

4. Administrative Evaluation Procedure, Within Center's Annual Review

(a) Quantitative

- Number of staff on board, versus target numbers
- Statistics maintained by each operating section

(b) Qualitative

- Progress charted against targets contained in Organization Plan. Careful review and revision of Organization Plan, if necessary.
- Progress made against individual plans for different development activities within each section, for example:

Accounting: Progress towards computerization of accounts and preparation of procedures manual.

Computer: Progress towards self-sufficiency from user fees and responsiveness of system to user demands.

Report Production: Speed and quality of final product.

- Evidence of clear delineation of responsibility and effective delegation of authority.
- Establishment of and adherence to written administrative plans, policies and manuals. Evidence of internal review and revision on a periodic basis to provide maximum efficiency and responsiveness.
- Evidence of effective recruitment, compensation and performance review procedures for administrative personnel.

IV. FINANCIAL SELF-SUFFICIENCY

1. Introduction

A major objective of the Center is to develop a balanced program of technological research and training directed towards important development concerns. The Center should provide an intellectual, physical and administrative environment where faculty can initiate projects in high priority areas. A large and diversified base of funding is required to support the Center at the scale of LE2,500,000 which is planned as the steady-state scale of operations over the coming three years. There must be diversity in the types of funding (i.e. grants, contracts, endowments, etc.), diversity in sources of funds (i.e. USAID, Government of Egypt, international sponsors, private and public sector firms), diversity in the period of such funding (i.e. short-term contracts -- less than one year, multi-year contracts, and endowments). Finally, there must be a diversity of funds between those which are restricted for specific purposes and unrestricted funds which can be used by the Center to complement those restricted funds.

In addition, any surplus or loss from operations must be offset through an unrestricted reserve/endowment/investment income account which will consolidate unrestricted funds for continued support of some of the Center's activities during periods when other funding is limited.

2. General Funding Strategy

The specific types of funds targeted for development by the Center are:

- 1) Grants from the Government of Egypt for:

- * Research
 - * Training
 - * General Administration
 - * Technical Assistance
- 2) Research Contracts from Government of Egypt Institutions
 - 3) Research Contracts from Foreign Institutions
 - 4) Grants and Endowments from International Institutions
 - 5) Service Contracts from Government of Egypt and International Institutions
 - 6) Research Contracts and Service Contracts from Public Sector Corporations and from Private Egyptian and International Corporations.

A marketing strategy plan will be prepared within six months of the contract extension which will detail plans for the development of each of these areas.

3. General Cost Allocation Strategy

The costing strategy of the Center is to charge full cost to all projects, including the recovery of indirect costs incurred by the DRTPC in its operations as an autonomous center within Cairo University. The Center will recover these costs by a system of direct charges and an indirect cost rate.

This indirect cost rate will consist of: (1) a percentage of the Center's administrative costs previously paid directly by the CU/MIT Program (including a rate negotiated between the Center and Cairo University for the indirect cost items provided by Cairo University to the Center); and (2) other indirect expenses projected to be incurred by the Center. An overhead base will also be estima-

ted consisting of the total direct costs of sponsored activities projected for the period. The resulting proposed rate will then be negotiated with USAID/Cairo and applied to the USAID/MIT contract and to all other Center activities. The system and schedule for determining and reviewing these rates is underway in accordance with the process described in the Proposal (See Proposal pages 22 and 23). Since indirect costs will also be charged to projects funded by the Government of Egypt, it is anticipated that this rate will also be reviewed by the GOE concerned agencies

4. Current Volume and Future Projections

The Center is currently operating at a total sponsored research and training volume for FY 1982-83 projected at LE 1.3 million and a total volume of LE 1.4 million which consists of:

USAID/Cairo -- CU/MIT Program	LE 1,100,000
USAID/Cairo -- Macro Economic Project	95,000
Other International Projects	15,000
GOE Projects	<u>90,000</u>
Total Sponsored Volume	LE 1,300,000
Cairo University Grant For Space Renovations	140,000

Total Center Volume LE 1,440,000

The CU/MIT Program volume is substantially below the volume for FY 82-83 proposed to USAID last October for an expanded program and represents the level of effort consistent with the phasing down of the MIT side of the CU/MIT Program by November of 1983 as scheduled in the current contract.

It is anticipated that Cairo University will continue to support the Center and that this support will most likely consist of a reduction in charges for services during periods of lean activity rather than direct cash grants.

The proposal for the institutionalization phase of the DRTPC is based on the following projected DRTPC total volume.

All numbers in LE (000)

	<u>FY 83/84</u>	<u>FY 84/85</u>	<u>FY 85/86</u>	<u>FY 86/87</u>
USAID CU/MIT Program	LE1,851	LE1,467	LE1,016	55
Other	<u>649</u>	<u>1,033</u>	<u>1,484</u>	<u>2,945</u>
Total	LE2,500	LE2,500	LE2,500	LE2,500

During the first year of the institutionalization phase, total volume at the Center is essentially planned to increase by two-thirds, mainly by increasing the volume of CU/MIT Program activities. This total volume will then be maintained for the next three years with funding from other sources gradually replacing the USAID funding to the DRTPC for the CU/MIT Program.

The large expenditures planned for FY 83/84 represent major investments in equipment and in other institutionalization aspects of the DRTPC, many of which were planned for the accelerated program in FY 82/83 and then deferred. The projections show a very conservative growth in DRTPC "other" volume from FY 84/85 to FY 85/86 and a rapid growth from FY 85/86 to FY 86/87. In actual fact it is expected that the growth curve will be more regular and that total FY 85/86 volume will be greater than the LE 2.5 million projected.

5. General Organizational Strategy

The DRTPC, by design, has developed an extremely flexible organizational strategy which is unique among research institutions within Egypt. The Center is located within Cairo University and has developed mechanisms to draw upon the enormous human resources of that university. The Center is autonomous, with its own set of financial by-laws which provide considerable freedom in operations.

The key to this organizational strategy is the faculty at Cairo University. They hold appointments and receive their basic salary from Cairo University. The Government of Egypt and the Center have a well understood and reasonably attractive system of salary supplements in place to encourage faculty participation in Center activities. Sufficient experience has been gained over the last six years to have confidence in this organizational strategy.

Only a very few full-time direct-hire administrative staff are required to support a large research volume. The Center can therefore be extremely responsive to change. For example, the March 1983 payroll for the Center's CU/MIT Program included the following types of individuals at the following percentages of activity.

	<u>NO. OF people</u>	<u>Amount</u>	<u>% of total people</u>	<u>% of total amount</u>
<u>Research and Training</u>				
Faculty	75	LE 17,600.00	28	46
Research Staff	46	5,100.00	17	13
Graduate Students	75	6,800.00	27.5	17.5
Secretarial & Clerical	23	1,200.00	8	3
Other	<u>7</u>	<u>1,000.00</u>	<u>2.5</u>	<u>2.5</u>
Subtotal Research & Training	226	31,700.00		
<u>Administrative</u>				
Delegated	34	3,700.00	13	10
Direct Appointments	<u>12</u>	<u>3,100.00</u>	<u>4</u>	<u>8</u>
Subtotal Administrative	<u>46</u>	<u>6,800.00</u>		
Total Program	272	LE 38,500.00	100%	100%

Only four percent of those on the payroll were direct-hire employees representing only ten percent of the total direct payroll cost.

This organizational strategy will continue in the future with the vast majority of individuals engaged by the Center for research and training projects being drawn from Cairo University and being retained only for the period of the project with salary supplements. Administrative staff will also be principally delegated from Cairo University. Only a small core administrative group (10-20) of professional full-time staff will be directly-hired by the Center at salaries competitive with the international market.

The organizational strategy described above, while unique to Egyptian universities, is a well-proven model for academic research centers at MIT and in many other American universities. A major institutional difference between the typical MIT research center and the DRTPC is the rather limited role which Cairo University's central administrative departments play in the Center's contract management and

accounting functions. Unlike MIT, Cairo University's centralized administration has virtually no staff resources for contract research management and the DRTPC must therefore provide its own senior staff for all such functions. The transfer of this research organization structure from MIT to Cairo University and the strong ties developed between the DRTPC and the research support units of MIT's central administration is an important feature of the Program.

6. Project Cost Allocation Strategy

One measure of the volume required by many institutions to reach a financial breakeven point is the size of the fixed operating costs of that organization, often described as the "core" costs. During the recently completed USAID/Cairo evaluation of the CU/MIT Program and the DRTPC, several cases were postulated in an attempt to determine the core costs and the breakeven volume of the Center under various assumptions. It was clear from the analysis of these cases, and from the discussions that followed, that the cost allocation strategy of the Center had not been clearly stated in the earlier draft of the proposal. The Center plans to continue to:

- * Supplement Cairo University faculty salaries for researchers rather than hiring a full-time research staff.
- * Delegate the majority of the support staff from Cairo University rather than directly hiring a large core staff. (Salary supplements are provided to such staff with the ability to return them to Cairo University within a maximum of thirty days.)
- * Charge most operating costs directly to projects.
- * Charge other operating costs, (sometimes considered as "core costs") such as computer services, word processing and report production to projects through cost centers that allocate the cost of the operation of these service departments on the basis of services performed.
- * Charge a few administrative salaries and operating expenses to

projects as allocated direct costs on the basis of the project's share of the Center's total research volume.

- * Charge all sponsors (including private sector sponsors) for the full cost of the Center's operations, including the Center's indirect cost, at substantiated rates negotiated annually with USAID and/or the government of Egypt.

Because of these strategies, the fixed cost core concept is not particularly useful in examining the Center -- operating costs are in fact quite flexible and responsive to rapid change. The strategy is to adjust the "core costs" to the total volume rather than to have the "core costs" determine the volume. The Center is quite capable of reducing its total volume to the rate of research funds anticipated from the Government of Egypt next fiscal year (i.e. LE400,000-500,000/year) within a period of four to six months. It will in fact begin to scale operations down to that level on December 1, 1983 if additional USAID funding is not approved by that time. The Center is equally capable of expanding the core to accommodate an increased volume (i.e. LE2,500,000/year) if the CU/MIT Program is extended as proposed. Rather than expanding the number of cases and projections, the target volume of LE 2.5 million described earlier will therefore be used for strategic planning.

7. Computer Operations

The computer services section is expected to be completely self-sufficient by the end of the next phase of the USAID contract; that is, all costs will be met by user fees. User rates will be determined based on a breakeven analysis of total costs (including depreciation over 10 years on all equipment), and charged directly to DRTPC projects and outside users. For outside users, rates will

be competitive with those of other comparable computer facilities in Cairo. There will be a preferential rate for the DRTPC users to encourage use of the in-house facility. Priorities for the system are :

- 1) CU/MIT Program Projects (all computer programs for CU/MIT research projects and fellowships will be operational on the DRTPC system by the end of FY 82-83).
- 2) DRTPC Projects
- 3) Outside Research Activities
- 4) Outside Services

In order to insure the fiscal viability of the computer services section during the next three years, the USAID contract will provide significant (but steadily decreasing) funding for all aspects of the operation. The difference will be increasingly absorbed by other DRTPC research projects and outside users. During this three year period, marketing efforts to outside users will intensify if the Center's research volume does not cover costs. It is anticipated that a total annual volume of LE 250,000 will be required for the computer services section to break even. If a surplus is realized from operations, it may be used for purchase of additional system capacity (hardware and software) or placed in the Center's reserve fund.

8. Resource Flows

Table 6 is an overall summary of financial resource flows to the DRTPC in terms of past growth and future forecasts. Item I of that table illustrates how the allocation of USAID funds to various activities has dramatically changed over time. For example, during

the initial phase of the CU/MIT Program some 70% of the total Program funds were allocated for joint CU/MIT research projects. The budget proposed for the institutional phase of the Program has only 24% of the total funds budgeted for this important activity, with the majority of the funding being directed towards more traditional institutionalization activities such as manpower development (12%) research support systems (15%) and DRTPC-initiated research activities (24%). This revised emphasis began during the current contract and is being greatly accelerated during this final institutional phase.

Cairo University contributions to the DRTPC have been large and are expected to continue as shown in Item II of the table. The development of the formalized DRTPC indirect cost rate will help to clarify the extent and nature of these contribution in the future.

The contribution of "in kind" services from GOE Ministries summarized in item III have likewise been large and varied including building of test tracks, use of computer facilities, manpower contributions etc.

Finally the record of outside funding for DRTPC projects summarized in item IV illustrates the rapid growth of contracts between the Center and outside agencies. This volume has been increasing each year and the bulk of the volume is in projects which were initiated under the USAID funded CU/MIT Technological Planning Program. The LE 800,000 and \$17,000 volume shown for the 1983-86 period is not meant to be a forecast of future total volume for that period. Rather it is a summary of the Center's backlog of contracts in place or in the final stages of negotiation as of April, 1983.

This summary of past activity and future projections of resource flows will be updated each year in both the DRTPC annual report which will detail the actual experience and in the DRTPC strategic plan which will project future activity.

Table 6

SUMMARY OF RESOURCE FLOWS

CU/MIT Program and DRTPC

I. <u>CU/MIT PROGRAM</u> <u>USAID FUNDS</u> (LE expenditures only)	<u>Actual Spending</u>						<u>Budget submitted for 1983/86</u>	
	<u>1977/78</u>		<u>1979/80</u>		<u>1981/82</u>		<u>LE</u>	<u>% of total</u>
	<u>LE</u>	<u>% of total</u>	<u>LE</u>	<u>% of total</u>	<u>LE</u>	<u>% of total</u>	<u>000</u>	<u>% of total</u>
Administration	290	30%	420	24%	620	33%	820	25%
CU/MIT Research	690	70%	1130	76%	1070	56%	814	24%
Manpower Development Initiatives					140	7%	387	12%
Research Support Systems					70	4%	489	15%
DRTPC-Initiated Research							814	24%
TOTAL USAID FUNDS	LE 980		LE 1750		LE 1900		LE 3324	
							+ 1065 DRTPC indirect	
							LE 4389	total budget
II. <u>CU CONTRIBUTIONS TO CU/MIT PROGRAM</u> Estimated	LE 240		LE 500		LE 900		LE 1760	
III. <u>MINISTRY CONTRIBUTIONS TO CU/MIT PROGRAM</u>	LE 100		LE 240 + Projects to DRTPC below		LE 360 + Projects to DRTPC below		LE 400 + Projects to DRTPC below	
IV. <u>OUTSIDE FUNDING FOR DRTPC PROJECTS</u> Initiated from CU/MIT Projects, or involving CU/MIT staff	0		LE 270		LE 550+\$26		LE 560 +\$17	
Other	0		LE 130		LE 140		LE 240	
TOTAL OUTSIDE DRTPC FUNDING	0		LE 400		LE 690+\$26		LE 800 \$17	funding in place or in final stages of negotiation

ANNEX III

Letters of request and approval
from GCE agencies



PRESIDENT'S OFFICE

Cairo

June 14, 1983

Mr. Michael P.W. Stone, Director
U.S. Agency for International Development
American Embassy
Cairo, Egypt

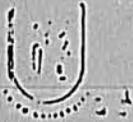
Re: CU/MIT Development Planning Studies Project

Dear Mr. Stone:

On April 26, 1983 I forwarded to your office two copies of a proposal, which had been prepared by Cairo University in collaboration with the Massachusetts Institute of Technology, for the Institutionalization Phase of the CU/MIT Development Planning Studies Project. That proposal was a revised version of an informal draft proposal prepared last October. It included modifications to the initial draft proposal which were responsive to the recommendations of the recently completed USAID evaluation of the CU/MIT Technological Planning Program and of the Development Research and Technological Planning Center (DRTPC) at Cairo University.

In that proposal we requested that the present project agreement for the Development Studies Project (now scheduled to conclude in November, 1983) be extended for a period of three years and one month -- through December, 1986. We further indicated that an additional \$14 million, funded by an amendment to the current project grant agreement, would be sufficient to complete this phase of the Project.

Since April, the budget for this proposal has been reviewed and discussed several times with the Minister of Investment Affairs and International Cooperation and other GOE officials. I have been advised that the government of Egypt is now prepared to formally request USAID/Cairo, at this time, to allocate an additional \$ 7.8 million for this institutionalization phase of the Program. This letter, as concurred by their excellencies Ministers Dr. Moustafa Kamel Helmi and Dr. Wagih Shendi will serve as that official request.



RECTOR'S OFFICE

Mr. Michael P. Stone

June 14, 1983

Cairo

Page 2.

A modified budget has been prepared for this reduced scale of effort. A budget summary by major expenditure categories is listed below and the details will follow shortly.

Proposed Reduced Budget For Additional Funds For Institutional Phase
(\$ million)

<u>Expenditure Category</u>	<u>Budget</u>
1. DRTPC Research	1.5
2. Manpower Development	1.0
3. Research Support Systems	.7
4. CU/MIT Research	2.2
5. Administration	1.2
6. Indirect Costs (CU)	.9
7. Phaseout	.3
<u>Total</u>	<u>7.8</u>

I sincerely hope that USAID/Cairo will be able to act promptly on this revised request in order that the Program can move smoothly into this next phase.

Thank you for your cooperation in this matter,

Sincerely,

Dr. Hassan Hamdy Ibrahim
Rector, Cairo University

Concurred

Dr. Mustafa Kamel Helmi
Deputy Prime Minister for Services, and
Minister of Education and Scientific Research

Concurred

Dr. Wagih Shendi
Minister of Investment Affairs and International
Cooperation

HHI/mh



UNITED STATES AGENCY for INTERNATIONAL DEVELOPMENT

CAIRO, EGYPT

Dr. Hassan Hamdy
Rector
Cairo University

28 JUN 1983

REF: Development Planning Studies Project
263-0061, Cairo University -
Massachusetts Institute of Technology

Dear Dr. Hamdy:

This letter is to advise you that we have received a letter from Mr. Ahmed Abdel Salaam Zaki of the Ministry of Investment and International Cooperation (MIIC) dated June 21, 1983 formally approving "...the second phase of the project by \$7 million from AID assistance program and \$800,000 from the University Linkage for FY 1984."

The USAID Cairo Offices of Education/Training and Program Development have advised senior officials at the DRTPC and MIT that they need to submit a revised proposal to USAID Cairo which details the size, nature and duration of project activities to be financed under the reduced funding limit of \$7,000,000. We have also asked the Director of the DRTPC to discuss with appropriate CU officials what DRTPC activities would be financed under the University Linkages Project (263-0118) and to convey this information to USAID Cairo.

It is important that those preparing the revised proposal for CU/MIT activities treat the two sources of USAID funding separately. That is, USAID Cairo must have detailed activities, budgets (US \$ and Egyptian Pounds) and implementation plans for each source of USAID funding (i.e., 0061 and 0118). You may rest assured that we will expedite our review of the proposals and convey our findings to you and the MIIC as soon as possible.

While this is a somewhat belated reply to your letter of April 25, 1983 transmitting the original CU/MIT Proposal, I delayed my acknowledgement of your earlier letter pending a decision from the MIIC regarding the funding level for the proposed project extension.

Sincerely yours,

M.P.W. Stone
Director

070041

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HRDC ACTION FOR: SP

DATE RECEIVED: 28 JUL 1983



PRESIDENT'S OFFICE

ACTION TO HRDC	DATE
ACTION TAKEN	DUE DATE <u>8/7</u>
NAME	INITIALS

Cairo July 6, 1983 10

Mr. Michael P. W. Stone, Director
 U.S. Agency for International Development
 American Embassy
 Cairo, Egypt

WSP
 7-18

Ref: Development Planning Studies Project 263-0061,
 Cairo University/Massachusetts Institute of Technology

Dear Mr. Stone:

Thank you for your letter of June 28, 1983 informing me that the Ministry of Investment and International Cooperation has approved financing for -- "the second phase of the Project by \$ 7 million from AID Assistance Program and \$ 800,000 from the University Linkages for FY 1984"-- for total additional funding of \$ 7.8 million for the Development Planning Studies Project.

As requested, Cairo University has prepared in collaboration with MIT and is submitting herein the following documents:

1. A revised Scope of Work dated July 6, 1983 for the institutional phase of the Program, which has been changed to accommodate the reduced budget and the later effective date for the extension.
2. A revised Budget dated July 6, 1983 for \$10.8 million for the period July 1, 1983 through December 31, 1986. This includes the new funds to be allocated from both the USAID Assistance Program (\$7.0 million) and the University Linkages Project (\$800,000) together with the anticipated balance remaining in Project 263-0061 as of July 1, 1983 (\$3.0 million).
3. An Appendix to the Budget, which describes two alternatives for utilizing the \$800,000 from the University Linkages Project. We have begun discussions with USAID and with the Supreme Council of Universities to identify the most appropriate mechanism for utilizing these funds, and we will keep you advised of our progress in this regard.
4. A revised Strategic Operating Plan dated July 6, 1983 which has been revised to accommodate the reduced level of effort required by the revised budget. A brief introduction to this revised plan has been added, which outlines the major changes to the DRTPC's operations which are projected to occur as a result of the lower level of funding.

Rec'd 7/18/83



PRESIDENT'S OFFICE

- 201 -

Cairo 197

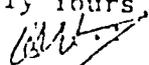
Mr. M. Stone

July 6, 1983

Page 2.

We sincerely hope you will be able to issue a formal commitment as soon as possible for these funds to Cairo University, MIT, and the Ministry of Investment and International Cooperation, so that the Program can move smoothly into this next phase.

Sincerely Yours,


Dr. Hassan Hamdi Ibrahim
President, Cairo University

HHI/mh

ENCLOSURES: - CU/MIT Program Proposal, July 6, 1983
- DRTPC Strategic Operating Plan, July 1983



RECTOR'S OFFICE

April 26, 1983

Mr. Michael P. W. Stone, Director
U.S. Agency for International Development
American Embassy
Cairo, Egypt

Dear Mr. Stone:

Enclosed please find two copies of the proposal for the Institutional Phase of the CU/MIT Development Planning Studies Project which has been prepared by Cairo University in collaboration with the Massachusetts Institute of Technology.

We are proposing that the present project agreement (now scheduled to conclude in November 1983) be extended for a period of three years and one month -- through December 1986. We anticipate that an additional \$14 million, funded by an amendment to the current project grant agreement, will be sufficient to complete this phase of the program.

This proposal is a revised version of an informal draft proposal prepared last October. It includes modifications to that initial proposal which are responsive to the recommendations of the recently completed USAID Evaluation of the Cairo University/Massachusetts Institute of Technology Program and of the Center.

This proposal has been discussed with His Excellency Dr. Moustafa Kamal Helmy and has received his approval for extension. It has been forwarded to the Minister of Investment Affairs and International Cooperation for their review and the formal request for this project extension will be forthcoming to you shortly from them. We are forwarding these copies to your office at this time to expedite the internal USAID review process.

Thank you for your consideration of this request. Please do not hesitate to contact me if you have any questions regarding this proposal.

Sincerely,

Dr. Hassan Hamdi Ibrahim
Rector,
Cairo University



ENCLOSURES: A/S
1841/mh

STATE



MINISTRY OF INVESTMENT
AND INTERNATIONAL COOPERATION
ECONOMIC COOPERATION WITH U.S.A

060106

HRDC ACTION FOR: <u>EAT</u>
DATE RECEIVED: <u>27 JUN 1983</u>

June 21, 1983

Mr. Michael Stone.
U.S. A.I.D. Director.
American Embassy
Cairo, Egypt.

ACTION TO	HRDC	PRICE
ACTION TAKEN	DATE	7/15
MAN	INITIALS	

Dear Mr. Stone:

With reference to the Project No 263-0061 Development Planning Studies, kindly be informed that due to the meeting held on June 20th, H.E. Dr. Wagih Shindy approved to finance the second phase of this project by \$ 7 mill from AID. Assistance program and \$ 800,000 from the university linkages for FY 1984.

Your cooperation to the above mentioned request would be most appreciated.

Best regards.

Sincerely yours,
Ahmad Abdel Salam
Ahmad-Abdel-Salam-Zaki
Administrator.

ANNEX IV

Section 611 (e) Determination

ANNEX IV

EGYPT DEVELOPMENT PLANNING STUDIES (263-0061)

CERTIFICATION PURSUANT TO
SECTION 611(e) OF THE FOREIGN
ASSISTANCE ACT OF 1961, AS AMENDED

I, M.P.W. Stone, the Principal Officer of the Agency for International Development in Egypt, having taken into account, among other things, the research and collaborative capabilities of participating Government of Egypt ministries and Cairo University and the technical assistance and training planned under this project, do hereby certify that in my judgment, Egypt has both the human resources and financial capability to effectively utilize the grant assistance to be provided to Cairo University for the purposes of the Development Planning Studies project.

M. P. W. Stone

M.P.W. Stone

Director

1-22-84

Date

ANNEX V

Statutory Checklist

5C(2) PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A. includes criteria applicable to all projects. Part B. applies to projects funded from specific sources only: B.1. applies to all projects funded with Development Assistance Funds, B.2. applies to projects funded with Development Assistance loans, and B.3. applies to projects funded from ESF.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

A. GENERAL CRITERIA FOR PROJECT

1. FY 1982 Appropriation Act Sec. 523; FAA Sec. 634A; Sec. 653(b).

(a) Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project; (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that amount)?

(a) Advice of program charge sent to Congress on 6 December 1983 and expired on December 20 without opposition.

(b) Yes.

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,00, will there be

- (a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance? (a) Yes.
(b) Yes.
3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance? No further legislative action is required.
4. FAA Sec. 611(b); FY 1982 Appropriation Act Sec. 501. If for water or water-related land resource construction, has project met the standards and criteria as set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973? (See AID Handbook 3 for new guidelines.) N/A
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project? Yes.

6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.
- No, but success in this project may lead to similar efforts in the region.
7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.
- None of these areas is specifically addressed by this project, but success in the project is likely to have a positive influence on several or all of them.
8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).
- Not directly affected by the project, but improved planning and implementation should result in increased trade and investment opportunities annually.

9. FAA Sec. 612(b), 636(h);
FY 1982 Appropriation
Act Sec. 507. Describe
steps taken to assure
that, to the maximum
extent possible, the
country is contributing
local currencies to meet
the cost of contractual
and other services, and
foreign currencies owned
by the U.S. are utilized
in lieu of dollars.
- The Project to date has been
substantially supported by
Ministries and by Cairo University.
No foreign currencies available.
10. FAA Sec. 612(d). Does
the U.S. own excess
foreign currency of the
country and, if so, what
arrangements have been
made for its release?
- The Mission Director has de-
termined that these funds are
unavailable to meet the needs
of the project.
11. FAA Sec. 601(e). Will
the project utilize
competitive selection
procedures for the
awarding of contracts,
except where applicable
procurement rules allow
otherwise?
- Yes.
12. FY 1982 Appropriation Act
Sec. 521. If assistance
is for the production of
any commodity for export,
is the commodity likely
to be in surplus on world
markets at the time the
resulting productive
capacity becomes
operative, and is such
assistance likely to
cause substantial injury
to U.S. producers of the
same, similar or
competing commodity?
- N/A
13. FAA 118(c) and (d).
Does the project comply
with the environmental
procedures set forth in
AID Regulation 16? Does
- Yes.

the project or program
take into consideration
the problem of the des-
truction of tropical
forests? N/A

14. FAA 121(d). If a Sahel
project, has a determina-
tion been made that the
host government has an
adequate system for
accounting for and
controlling receipt and
expenditure of project
funds (dollars or local
currency generated
therefrom)? N/A

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance
Project Criteria N/A

a. FAA Sec. 102(b), 111,
113, 201(a). Extent to
which activity will (a)
effectively involve the
poor in development, by
extending access to
economy at local level,
increasing labor-inten-
sive production and the
use of appropriate
technology, spreading
investment out from
cities to small towns and
rural areas, and insuring
wide participation of the
poor in the benefits of
development on a sus-
tained basis, using the
appropriate U.S. insti-
tutions; (b) help develop
cooperatives, especially
by technical assistance,
to assist rural and urban
poor to help themselves
toward better life, and

otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used? N/A

c. FAA Sec. 107. Is emphasis on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)? N/A

d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)? N/A

- e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"? (M.O. 1232.1 defined a capital project as "the construction, expansion, equipping or alteration of a physical facility or facilities financed by AID dollar assistance of not less than \$100,000, including related advisory, managerial and training services, and not undertaken as part of a project of a predominantly technical assistance character. N/A
- f. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth? N/A
- g. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage N/A

institutional development;
and supports civil
education and training in
skills required for
effective participation in
governmental processes
essential to self-government.

Development Assistance Project
Criteria (Loans Only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, at a reasonable rate of interest. N/A

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan? N/A

c. ISDCA of 1981, Sec. 724 (c) and (d). If for Nicaragua, does the loan agreement require that the funds be used to the maximum extent possible for the private sector? Does the project provide for monitoring under FAA Sec. 624(g)? N/A

3. Economic Support Fund
Project Criteria Yes

a. FAA Sec. 531(a). Will this assistance promote economic or political

- stability? To the extent possible, does it reflect the policy directions of FAA Section 102? Yes
- b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities? No
- c. FAA Sec. 534. Will ESP funds be used to finance the construction of the operation or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified that such use of funds is indispensable to nonproliferation objectives? No
- d. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? USAID/Cairo is in the process of developing procedures with the GOE concerning the use of the "special account" and the application of such funds to support local currency costs of USAID Projects. When local procedures are established, USAID will negotiate with the GOE the use of such funds to cover part of the local costs of the project.

ANNEX VI

Second Amendment to the
Project Authorization

SECOND AMENDMENT

ANNEX VI

TO

PROJECT AUTHORIZATION

Name of Country: Arab Republic
of Egypt

Name of Project: Development
Planning
Studies

Number of Project: 263-0061

1. Pursuant to Section 532 of the Foreign Assistance Act of 1961, as amended ("the Act"), the Development Planning Studies Project for the Arab Republic of Egypt was authorized on August 4, 1978, and amended on September 24, 1980. That authorization is hereby further amended as follows:

The first paragraph of the authorization is deleted in its entirety and the following substituted therefor:

"Pursuant to Section 532 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Development Planning Studies Project for the Arab Republic of Egypt involving planned obligations of not to exceed Twenty Two Million Eight Hundred Thousand United States Dollars (\$22,800,000) and Two Million Three Hundred Thousand Egyptian Pounds (LE 2,300,000) in grant funds over an eight year period from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OY2/allotment process, to help in financing foreign exchange and local currency costs for the project. I also hereby authorize the conversion to Egyptian Pounds of such sums as are needed to help finance the local currency costs of the Project."

2. Based upon the justification set forth in the Project Paper Amendment, I hereby determine in accordance with Section 612 (b) of the Foreign Assistance Act of 1961, as amended, that the expenditure of United States Dollars for the procurement of goods and services in Egypt is required to fulfill the purposes of this project amendment; the purposes of the project cannot be met effectively through the expenditure of U.S.-owned local currencies for such activities; and the administrative official approving local cost vouchers may use this determination as the basis for certification as required by Section 612 (b) of the Act.

3. The authorization cited above remains in force except as hereby amended.

W. J. W. Sharp
Mission Director

1-22-84
Date

Drafted: HRDC/ET: Charleson:mg, 1/22/84 0568E

Clearance:	HRDC/LT:AYWilburn	<u>1/1</u>	Date	<u>1/22/84</u>
	LEG:EBarrington	<u>13/23</u>	Date	<u>1/22/84</u>
	LEG/CSO:ABjorlykke	<u>CB</u>	Date	<u>1/22/84</u>
	FM/FA:TFutscher	<u>1/22</u>	Date	<u>1/22/84</u>
	FM: TClarkson	<u>TC</u>	Date	<u>1/22/84</u>
	AD/DPPE:MSweet	<u>MS</u>	Date	<u>1/22/84</u>
	AD/HRDC:HLusk	<u>HL</u>	Date	<u>1/22/84</u>

ANNEX VII

Waiver of Competitive
Procurement plus copies
of previous waivers and
justifications



UNITED STATES AGENCY for INTERNATIONAL DEVELOPMENT

CAIRO, EGYPT

ACTION MEMORANDUM FOR THE DIRECTOR

THRU: A. Bjorlykke, LEG/CSO *[Signature]*

FROM: W. Charleson, HRDC/ET *[Signature]*

SUBJECT: Procurement of the Massachusetts Institute of Technology (MIT) to continue contract services under the Development Planning Studies Project 263-0061.

1. Action Required

That you convene the Mission Noncompetitive Review Board to consider a non-competitive procurement from the subject university for the purposes of continuing its services under the proposed extension of the project. The membership of the Board, in accordance with AIDPR 7-5.107-51, must include yourself as Chairman, the Mission's legal advisor and a senior project officer not concerned with the procurement under consideration. (Copy of regulations attached as Annex 1).

2. Background

The intended contract negotiations with MIT are to continue their work with Cairo University and a number of Government of Egypt Ministries under the Development Planning Studies Project (263-0061). The purpose of the project is to create a permanent institutional framework through which Egyptian applied research and training capabilities can be organized so as to strengthen the capacity of GOE Ministries to carry out development program and project planning activities. This purpose will remain unaltered under the proposed three year extension.

The project was most recently evaluated in December 1982. The evaluation noted that there had been considerable progress in: (a) developing a research portfolio; (b) designing and implementing management, personnel and accounting procedures for the Development Resources and Technical Planning Center (DRTPC), the counterpart organization at Cairo University; (c) setting up the computer facility for research and instruction; and (d) implementing both in-country and out-of-country training for Cairo University and participating ministries' staff. Nevertheless and largely because the DRTPC had no individual director for a period of approximately one year, institutionalization progress was found to be insufficient to assure desired end of project status; i.e., an institutionally and fiscally viable development research center. The evaluation recommended that the project be extended contingent upon the development and implementation of a concise

strategic operational plan geared to the accomplishment of specific institutionlization goals enumerated in the evaluation. Subsequently, the CU/MIT Executive Committee prepared a proposal for a three year extension of the project. The proposal was reviewed by the USAID/C project committee and the Mission, after consultation with CU/MIT and the approval of the Ministry of Investment and International Cooperation, provided a letter of intent to Dr. Hassan Hamdi, President of Cairo University, indicating the Mission's interest in supporting the project. The 1982 evaluation and the proposal were reviewed in AID/W which, in State 289252, delegated authority to the Mission to approve a PP Amendment and Project Authorization Document in the amount of \$7 million and for an additional three years of project activity.

On December 4, 1983, USAID/C requested ad hoc authority to contract for the continuation of the project and noted that it was the intention of the Mission to negotiate with MIT for the continuation of its services on a non-competitive basis. (Copy of Cairo 35616 attached as Annex II). In State 362986 (copy attached as ANNEX III), AID/W provided the ad hoc authority requested in Cairo 35616

FFR Section 1-3.107(a) (8) provides that a follow-up award may be awarded on a non-competitive basis in situations where it is not feasible to obtain competition for follow-on procurements. In such a case, it must be demonstrated that a non-competitive award is necessary to avoid substantial duplications of cost to the Government for the property or service being procured or unacceptable delays in accomplishing the Government's objective.

MIT has developed contacts, working relationships, and rapport with key personnel of Cairo University and G.E ministries as well as a familiarity with their organization and procedures. This has proved to be invaluable in project implementation and has contributed to MIT's ability to develop and support successful projects and to move the institutionalization process forward as planned. The GOE is well satisfied with the performance of the contractor and has specifically expressed its desire to continue with MIT for the final phase of the project.

At this stage of project implementation, another institution would, at a minimum, require a considerable period of time to establish the necessary groundwork for project continuation duplicating a substantial amount of work already accomplished by MIT. The consequent delay would be extremely damaging to project implementation, would probably require a further extension of the project completion date and a consequent additional increase in overall project cost. Indeed, failure to proceed with MIT for the implementation of the final phase of the project, would so seriously disrupt carefully developed personal and institutional Egyptian relationships that there would be serious doubt as to whether project objectives could be achieved.

A market search has been performed as per FPR Section 1-3.107 (b) (2) through telephone contacts with knowledgeable AID/W officials.

FPR Section 1-1.1003-2(a) (1) (iii) provides that a non-competitive procurement must be publicized in the Commerce Bureaus daily unless the terms of an international agreement or treaty between the United States and a foreign government authorize or require that such a placement shall be from sources specified in the international agreement or treaty. Cairo University, the implementing agency for this project, has requested that MIT be continued as the contractor under the project (see Annex IV), and the second Project Grant Agreement Amendment will specify that the contract will be entered into with MIT.

3. Recommendation

That, in view of the rationale provided above and in accordance with Federal Procurement Regulations, you approve a justification for non-competitive procurement with MIT.

Approved

Disapproved

Date: 1-4-83

Approval: LEG:BBarrington BKB
HRDC/H:CCollins

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AIDPR NOTICE 84-7

There follows below the text of AIDPR Notice 84-1, as published in the Federal Register of September 7, 1983 (48 F.R. 40385 through 40387).

INTERNATIONAL DEVELOPMENT
COOPERATION AGENCY

Agency for International Development

41 CFR Ch. 7

(AIDPR Notice 84-1)

Revision of Noncompetitive
Procurement Coverage

AGENCY: Agency for International
Development

ACTION: Final rule.

SUMMARY: This AIDPR Notice implements FPA Amendment 250 of increasing the use of competition and minimizing the number of noncompetitive procurements. The Agency's coverage of noncompetitive negotiations that conflicted with the new FPA coverage has been removed or revised. However, three circumstances that are unique to the Foreign Assistance Program have been retained to supplement the eight FPA circumstances permitting noncompetitive procurement. The three circumstances are contracts for personal services abroad under Section 631(a)(3) of the Foreign Assistance Act of 1951, as amended; procurements of \$700,000 or less by overseas procuring activities; and procurements where the Assistant Administrator responsible for the program determines that only one source should be solicited on the basis that procurement from any other source would impair foreign assistance objectives and would be inconsistent with fulfillment of the foreign assistance program.

EFFECTIVE DATE: This AIDPR Notice is effective on August 26, 1983.

FOR FURTHER INFORMATION CONTACT:
Frank L. Collins, M/SEK/CM/SD/1401
Agency for International Development,
Washington, D.C. 20523. Telephone (703)
231-2107.

SUPPLEMENTARY INFORMATION: This AIDPR Notice is a procurement regulation, and has been exempted from the requirements of Executive Order

Section 6(l) of the Order, by the Director, OMB, in a letter dated April 8, 1981, as amended on October 6, 1982. The determination required by paragraph 4a of OIPP Policy Letter 80-5, and the certification required by the Regulatory Flexibility Act have been made and are included in the body of this AIDPR Notice.

List of Subjects in 41 CFR Part 7

Government procurement.

PART 7-2—PROCUREMENT BY
NEGOTIATION

1. The subject table of contents is revised as follows:

- Subject 7-2.1—Use of negotiation.
- 5:
- 7-2.102-5: Acceptability to overseas conditions.
- 7-2.102-8: Debriefing of unsuccessful offerors.
- 7-2.102-11: Lead time for preparation and submission of bids or proposals.
- 7-2.107: Justification of noncompetitive procurements.
- 7-2.107-50: Additional circumstances permitting noncompetitive procurements.
- 7-2.107-51: Authority to approve noncompetitive procurements.
- Authority: Sec. 22, 75 Stat. 445, 85 amended (22 U.S.C. 2351).

[7-2.104-50 (Removed)]

2. Section 7-2.107-50 (Justification for noncompetitive negotiation) is removed.

3. A new § 7-2.107 is added as follows:

§ 7-2.107 Justification of noncompetitive procurements.

In addition to the eight circumstances permitting noncompetitive procurements in FPA 2-3.107(a), the Agency also has the three circumstances set forth in § 7-2.107-50. The three additional circumstances are based on the unique authorities of the Foreign Assistance Act of 1951, as amended, and are justified as being necessary to effectively carry out the Foreign Assistance Program.

4. A new § 7-2.107-50 is added as follows:

§ 7-2.107-50 Additional circumstances permitting noncompetitive procurements.

(a) There are three additional

AIDPR Notice 84-1

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negotiation may be permissible; these are set out in paragraphs (b), (c), and (d) of this section. In each of these cases, however, consideration of as many sources as is practicable, including informal solicitation to the maximum extent practicable, is required. In each case, the contract file will include appropriate explanation and support justifying the noncompetitive award.

(b) An award, under section 6305(a)(3) of the Foreign Assistance Act of 1951, as amended, involving a personal services contractor serving abroad (see Appendix F of this Chapter).

(c) An award of \$100,000 or less by any overseas procuring activity (i.e., a Mission as defined in AIDPR 7-1.258).

(d) An award for which the Assistant Administrator responsible for the program makes a formal written determination, with supporting findings, that procurement from any other source would impair foreign assistance objectives, and would be inconsistent with the fulfillment of the Foreign Assistance Program.

5. A new § 7-3.107-51 is added as follows:

§ 7-3.107-51 Authority to approve noncompetitive procurements.

(a) Authority to approve noncompetitive procurements is separate from and *in addition to* any delegation of contracting authority. While a contracting official may have been delegated unlimited contracting authority, his/her authority to approve noncompetitive procurements is limited by this section.

(b) Authority to approve noncompetitive procurements under FPR 1-3.910 and AIDPR 7-3.107-50(c) rests with the Assistant Administrator having the program responsibility.

(c) Authority to approve noncompetitive procurements under both FPR 1-3.107(a)(5) and (a)(6) rests with the head of the agency, as defined in AIDPR 7-1.205.

(d) Authority to approve noncompetitive procurements under FPR 1-3.107(a)(1), (2), (3), (4), (7), (8) and AIDPR 7-3.107-50(b), executed by AID/Washington, is based on the estimated cost of the procurement and is assigned as follows:

Dollar amount	Approving authority
(1) 0 to \$10,000	The contracting officer.
(2) \$10,000 to \$100,000	Contracting Officer/ASAC/DM/MS/CM/SM.
(3) \$100,000 to \$250,000	Director of Contracting, M/DC/ASAC.
(4) Over \$250,000	The Noncompetitive Review Board.

(e) Authority to approve noncompetitive procurements under FPR 1-3.107 (a) (1), (2), (3), (4), (7), (8) and AIDPR 7-3-107-50(b) and -50(c), executed by a Mission, is based on the estimated cost of the procurement and is assigned as follows:

Dollar amount	Approving authority
(1) 0 to \$10,000	The Mission contracting officer, if other than the Mission Director.
(2) 0 to \$100,000	The Mission Director.
(3) Over \$100,000	The Mission Noncompetitive Review Board.

(f) The Mission Noncompetitive Review Board is appointed by the Mission Director, who serves as Chairman of the Review Board. As a minimum, Review Board membership must include in addition to the Chairman, the Mission or Regional Legal Advisor for the Deputy Director if no Legal Advisor is available at the Mission), and a senior project officer not concerned with the procurement under consideration by the Review Board. The Mission Noncompetitive Review Board has jurisdiction over both Mission procurements and procurements being awarded by the Area Contracting Officer (ACO) serving the Mission. However, when a noncompetitive procurement exceeds either the Mission Director's or the ACO's contracting authority, as opposed to their authority to approve noncompetitive procurements (see paragraph (a) of this section), the Mission Director must first obtain and ad hoc redelegation of contracting authority for the noncompetitive procurement from M/SER/CM.

Determination

As required by paragraph 4a of OITP Policy Letter 80-5, I hereby determine that this AIDPR Notice has been reviewed against the policies set forth in paragraphs (1) through (8) of Section 2 of the Office of Federal Procurement Policy Act (Pub. L. 95-460, as amended by Pub. L. 96-85 hereinafter referred to as the Act), and policy directives issued by OITP under Section 6(h) of the Act.

Based on this review, I hereby determine that this AIDPR Notice is not inconsistent with the policies set forth in paragraphs (1) through (8) of Section 2 of the Act and policy directives issued by OITP under Section 6(h) of the Act.

CAIRO 35616

UNCLASSIFIED
AID 12/04/1983
LEG/CSO:ABJORLYKKE
HRDC/EDU:WCHARLESON:JYA
1. LEG:DPRESSLEY 2. LEG:BBARRINGTON
AID-6 AMB DCM/ ECON ICA CHRON

AB
WC
DP
BB

AMEMBASSY CAIRO
SECSTATE WASHDC/ PRIORITY

AIDAC

E.O. 12356: N/A
SUBJECT: REQUEST FOR AD HOC REDELEGATION OF CONTRACTING
AUTHORITY FOR CONTINUATION OF DEVELOPMENT PLANNING
STUDIES PROJECT 263-0061

REF: CAIRO 34845 DATED 27 NOV 83

IT IS REQUESTED THAT AN AD HOC REDELEGATION OF
CONTRACTING AUTHORITY, IN THE AMOUNT OF DOLS.
7,000,000, BE MADE TO THE USAID/CAIRO MISSION
DIRECTOR AND TO A. DJORLYKKE, MISSION CONTRACTING
OFFICER TO NEGOTIATE AND EXECUTE THE SUBJECT
CONTINUATION OF SERVICES ACTION.

UPON EXPIRATION OF THE CONGRESSIONAL NOTIFICATION PERIOD
RESULTING FROM THE REFCABLE SUBMISSION, IT IS INTENDED
TO REQUEST A PROPOSAL FROM M.I.T. PUBLICATION IN THE
CBD IS NOT REQUIRED SINCE THE EXCEPTION CONTINUED IN FPR
1-1003-2(f) (3) (111) APPLIES, I.E., AN
INTERNATIONAL AGREEMENT (PROAG AMENDMENT) BETWEEN THE
UNITED STATES AND THE ARAB REPUBLIC OF EGYPT WILL
AUTHORIZE PROCUREMENT OF THE SUBJECT CONTINUING SERVICES
FROM M.I.T. ON A NON-COMPETITIVE BASIS.

USAID/CAIRO HAS THE REQUISITE TECHNICAL, LEGAL, AND
CONTRACTING EXPERTISE TO PERFORM THE SUBJECT
PROCUREMENT. VELIOTES##

ACTION: AID-G INFO: AMB ICM/P

V7070000173
 PP RUEPC
 DE RUEPC #2096 3570615
 ZHP UUUUU ZZH
 P 230214Z DEC 83
 FM SECSTATE WASHDC
 TO AMEMBASSY CAIRO PRIORITY 054P
 PT
 UNCLAS STATE 362986

ICC: 49 602
 27 DEC 83 7810
 CN: 13230
 CTRG: AID
 DIST: AID.

ACTION

D/R
FM

ACTION TO	<u>LIE</u>	<u>0000</u>
ACTION TAKEN	<u>DATE</u>	<u>12/26</u>
	<u>INITIALE</u>	

AIDAC

F.O. 12356: N/A

TAGS:

SUBJECT: AT HCC DELEGATION OF AUTHORITY NO. 99.1.84.17

REF: CAIRO 3516

1. PURSUANT TO DELEGATION OF AUTHORITY NO. 99.1, FROM THE ASSISTANT TO THE ADMINISTRATOR FOR MANAGEMENT, I HEREBY DELEGATE TO THE MISSION DIRECTOR, USAID/EGYPT THE AUTHORITY TO SIGN A CONTRACT UNDER THE DEVELOPMENT PLANNING STUDIES PROJECT IN AN AMOUNT NOT EXCEEDING SEVEN MILLION.

2. THE AUTHORITY DELEGATED HEREIN IS TO BE EXERCISED IN ACCORDANCE WITH THE REGULATIONS, PROCEDURES, AND POLICIES PROMULGATED WITHIN A.I.D. IN EFFECT AT THE TIME THIS AUTHORITY IS EXERCISED. THIS AUTHORITY MAY BE EXERCISED BY PERSONS PERFORMING THE FUNCTIONS OF THE MISSION DIRECTOR IN AN ACTING CAPACITY.

3. PLEASE FORWARD COPIES OF SIGNED CONTRACT TO P/SPR/CM/ST/FSR. REFERENCE BOTH THIS AT HCC NO. AND CONTRACT NO. WHEN FORWARDING REQUESTED DOCUMENTS. NOTE: THIS REPORTING REQUIREMENT IS IN ADDITION TO THE REPORTING/NUMBERING REQUIREMENT OUTLINED IN CONTRACT INFORMATION BULLETIN (CIB) 82-22, DTD 11/14/82.

4. SIGNATURE: HUGH L. JEWELLY, DIRECTOR, OFFICE OF CONTRACT MANAGEMENT. DAM

PT

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ANNEX IV

Mr. Ahmed Abdel Salam Zaki
Administrator of the Department for
Economic Cooperation with the U.S.A.
Ministry of Investment and International Cooperation
8 Adly Street
7th Floor
Cairo, Egypt

1/3/84

Dear Mr. Abdel Salam Zaki:

With reference to the Second Amendment to the Project Grant Agreement for the Development Planning Studies Project (AID Project No. 263-0061), I hereby inform you that Cairo University wishes the participation of MIT to continue in the extension of this Project. Therefore, Cairo University agrees to an extension of the direct contract between MIT and USAID.

Dr. Hassan Nandi is presently out of the country. I will ask him to send you a letter upon his return, concurring with the above statement.

Very truly yours,

Dr. Mohamed El Hawary
Director
Development Research and Technological
Planning Center
Cairo University



Date _____

Ref. No. _____

تاريخ _____ 1981/1/3
مصدر _____

بسم الله الرحمن الرحيم

الاستاذ الفاضل / احمد عبد السلام زكى
مدير عام قسم التعاون الاقتصادي الدولى مع الولايات المتحدة الامريكية
٨ شارع ستالى
الدور السابع
القاهرة ، جمهورية مصر العربية

الاستاذ الفاضل / احمد عبد السلام زكى

تحية طيبة وبعد . . .

بالاحالة الى الملحق الثانى لمشروع اتفاقية المنحة لدراسات التنمية والتخطيط التكنولوجي
(معد رقم AID Project No. 263-0061) ، اجيظ علم سيادتكم بأن جامعة القاهرة ترغب
فى استنرار مشاركة معهد ماساتشوستس التكنولوجي (MIT) فى مشروع المرحلة الثانية المقترح .
ما يعنى ان جامعة القاهرة توافق على امتداد العقد البائشرين معهد ماساتشوستس ووكالة
التنمية الدولية الامريكية .

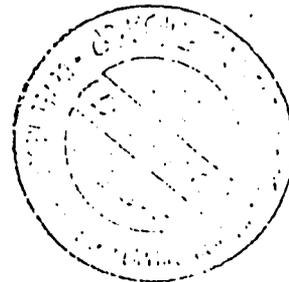
ولما كان السيد الاستاذ الدكتور / حسن حمدى ، رئيس الجامعة خارج البلاد ، فانسى
سوف ارجوه تأييد هذه الموافقة عند عودته للسيد ، وزير الاستثمار والتعاون الدولى .

وتفضلوا سيادتكم بقبول احترامى . . .

مدير مركز بحوث التنمية والتخطيط التكنولوجي

جامعة القاهرة

د . د . محمد عبد الرحمن الهجرارى



ANNEX VIII

Authorization Cable
STATE 289252

SECTION: AID-6 INFO: AMF DCM ECON USIS PAS /11

VZCZCCY0022
RR RUEBEG
DE RUEBEG #9252/01 2941717
ZNR UUUUU ZZH
R 111707Z OCT 83
FM SFCSTATE WASHDC
TO AMEMBASSY CAIRO 7325/7324
PT

INTENTION FOR: ET
DATE RECEIVED: 12 SEP 1983

LOC: 02
1 OCT 83
01: 61229
HRG: AID
1ST: AID

550
1621

UNCLAS STATE 299252

AIDAC

E.O. 12356: N/A

TAGS:

SUBJECT: NEAC REPORTING CABLE: DEVELOPMENT PLANNING
STUDIES (263-2361): EVALUATION

ACTION TO	<u>HRG</u>	<u>DRPS</u>
ACTION TAKEN		DATE <u>10/18</u>
NAM		INITIALS

REF: (A) CAIRO 27044, (B) STATE 22647E, (C) CAIRO 27473

1. THE NEAR EAST ADVISORY COMMITTEE, CHAIRED BY BRADSHAW LANGRISH, DAA/NE, MET ON SEPTEMBER 16, 1983, REVIEWED SUBJECT EVALUATION AND REACHED AGREEMENT THAT A PROJECT PAPER AMENDMENT WILL BE REQUIRED TO EXTEND PROJECT ASRFOUSTEP REF (C). THE ASSISTANT ADMINISTRATOR HERBERT AUTHORIZES USAID/CAIRO TO AMEND SUBJECT PROJECT PAPER ON THE BASIS THAT THE ELEMENTS IDENTIFIED HEREIN ARE INCLUDED AND REDELEGATES AD HOC AUTHORITY TO THE USAID/CAIRO MISSION DIRECTOR TO AMEND THE PROJECT AUTHORIZATION TO EXTEND LIFE OF PROJECT UP TO ADDITIONAL THREE YEARS AND INCREASE FUNDING AVAILABLE TO THE PROJECT BY AN AMOUNT NOT TO EXCEED ADDITIONAL DOLLARS SEVEN MILLION.

2. AS AN ALTERNATIVE TO A THREE-YEAR, DOLS. SEVEN MILLION PROJECT AMENDMENT, MISSION MAY WISH TO CONSIDER A ONE-YEAR, NO-COST PROJECT EXTENSION DURING WHICH A NEW PROJECT COULD BE DEVELOPED. RATIONALE FOR THIS ALTERNATIVE IS BASED ON DOUBTS EXPRESSED DURING NEAC ON LOW PROBABILITY OF DRTPC ACHIEVING REASONABLE LEVEL OF SELF-SUFFICIENCY AND INSTITUTIONALIZATION WITHIN PROPOSED THREE-YEAR EXTENSION PERIOD. A SECOND PHASE PROJECT WOULD PERMIT MORE THOROUGH NEGOTIATION OF INSTITUTIONALIZATION PROCESS AND NEEDS. FOR EXAMPLE, WE WOULD LIKE TOSEE TA PROVIDED TO DRTPC UNDER CONVENTIONAL ARRANGEMENTS FOR A TIME AND THEN SHIFTING TO A FLOCK GRANT LATER SO DRTPC COULD SELECT U.S. EXPERTISE AS IT GAINS EXPERIENCE. SUCH A PROJECT MIGHT OR MIGHT NOT INCLUDE MIT AS EXCLUSIVE CONTRACTOR. GIVEN LIKELY LONG-TERM NEED FOR EXTERNAL ASSISTANCE TO DRTPC, WE COULD RAPIDLY ANTICIPATE NEED FOR A DIRECT GRANT TO THE DRTPC TO FINANCE EXTERNAL TECHNICAL ASSISTANCE FROM VARIETY OF SOURCES BEYOND PROPOSED IN CURRENT THREE-YEAR EXTENSION. THIS ALTERNATIVE IS PROPOSED RECOGNIZING THE LONG-TERM NATURE OF INSTITUTION BUILDING AND DESIRE TO GIVE THE

SSION ROOM TO NEGOTIATE THAT PROCESS MOST EFFECTIVE APPROACH.

K. THE FOLLOWING CONCERNS SHOULD BE ADDRESSED DIRECTLY IN AMENDMENT TO THE PRESENT PP, OR IF OPTING FOR THE ALTERNATIVE SUGGESTED ABOVE, IN THE AMENDMENT AND NEW PROJECT DOCUMENTATION.

A. LOGFRAME: A REVISED LOGFRAME CLEARLY STATING PROJECT PURPOSE AND REVISED ANNUAL BENCHMARKS FOR OUTPUT AND PURPOSE INDICATORS. END-OF-PROJECT INDICATORS SHOULD BE CLEARLY DELINEATED AND INCLUDED IN THE LOGFRAME AND DISCUSSED IN THE PP AMENDMENT. AMENDMENTS TO PROJECT AGREEMENT AND MIT CONTRACT SHOULD UNEQUIVOCALLY STATE TOPS OBJECTIVES, INCLUDING SPECIFIC NATURE AND MODE OF ASSISTANCE TO BE PROVIDED TO THIS END. THEY SHOULD UNEQUIVOCALLY REFLECT INSTITUTIONALIZATION OBJECTIVE. WE WOULD EXPECT A DECREASING ROLE FOR CONTRACTOR AND PAVING PROPOSED FUNDS ALLOCATED TO MIT. WE COULD ALSO ENVISION PARALLEL INCREASE BLOCK GRANT WHICH CU/DRTPC COULD USE, WITHIN AGREED GUIDELINES, FOR SELECTING TA OF ITS CHOICE.

F. EVALUATION: A REVISED EVALUATION PLAN SHOULD BE PART OF THE AMENDED PROJECT PAPER. WE SUGGEST THE NEXT EVALUATION BE CONDUCTED APPROXIMATELY ONE YEAR FROM NOW SINCE SUFFICIENT TIME WILL HAVE ELAPSED TO MEASURE PROGRESS TOWARD INSTITUTIONALIZATION OBJECTIVES. WE BUREAU WILL WANT TO REVIEW THE SCOPE OF WORK FOR EVALUATION.

C. INSTITUTIONALIZATION: GIVEN THAT PRIMARY OBJECTIVE DURING REMAINDER OF THE PROJECT IS INSTITUTIONALIZATION OF DRTPC, ANNUAL BENCHMARKS FOR INSTITUTIONALIZATION, INCLUDING REALISTIC PROJECTIONS OF DRTPC INCOME NEEDS AND GENERATION GOALS, SHOULD BE ESTABLISHED. EFFORT SHOULD BE MADE TO ESTABLISH DRTPC AS INDEPENDENT TECHNICAL AND ADMINISTRATIVE ENTITY CAPABLE OF FULL MANAGEMENT OF PROJECT ACTIVITIES WITH REGULAR SOURCE OF INCOME TO FINANCE THEM. DRTPC/CU SHOULD BE ENCOURAGED TO DRAW ON WIDE VARIETY TALENT AND EXPERTISE, NOT LIMITED TO SINGLE INSTITUTION. MANAGERIAL RESPONSIBILITY SHOULD SHIFT FROM MIT TO DRTPC OVER THE COURSE OF THIS PROJECT. MISSION MAY WANT TO CONSIDER DIRECTLY GRANTING DRTPC A FIXED AMOUNT, SUCH AS DOLS 250-500 THOUSAND, FOR ENGAGING TECHNICAL EXPERTISE FROM SOURCES OTHER THAN MIT. FUNDS FOR THIS PURPOSE SHOULD BE HELD OUT OF THE PROPOSED AMENDMENT TO MIT'S CONTRACT.

T. MONITORING: NPAC STRONGLY CONCURS IN MISSION'S DETERMINATION TO ASSUME INCREASED PROJECT MONITORING AND IMPLEMENTATION ROLE AS INDICATED IN REF (A), PARA 1.C. GIVEN LACK OF PROGRESS IN SEVERAL KEY AREAS SINCE LAST

10

EVALUATION, WE AGREE THAT A MUCH STRONGER MISSION MONITORING ROLE FOR GENERAL PROJECT IMPLEMENTATION PROGRESS AS WELL AS MIT'S PERFORMANCE IN MEETING INSTITUTIONALIZATION OBJECTIVES IS REQUIRED. BELIEVE THIS IS ESSENTIAL IN ENCOURAGING CU/MIT TO DEVOTE FULL ATTENTION TO INSTITUTIONALIZATION PROCESS.

4. THE METHODOLOGY USED IN CONDUCTING THIS EVALUATION WAS A DEPARTURE FROM STANDARD EVALUATION PROCEDURE. WE UNDERSTAND, TO A DEGREE, YOUR RATIONALE. HOWEVER, THE ISSUE RAISED IN REF (P), PARA 1.A., SHOULD BE CONSIDERED IN CONDUCTING FUTURE MISSION EVALUATIONS. WE RECOGNIZE THAT EVALUATION SHOULD BE TAILORED TO SPECIFIC DECISION NEEDS. HOWEVER, IT MUST ALSO MEET BUREAU MANAGEMENT NEEDS AND ASSESS THE PROGRESS TOWARD ACHIEVEMENT OF ORIGINAL PROJECT PURPOSES. THIS PARTICULARLY TRUE IN LIGHT OF DISTURBING BREAKDOWN IN PROJECT MONITORING THAT APPEARS TO HAVE OCCURRED FOLLOWING PREVIOUS PROJECT EXTENSION. IN THIS CASE, AID/W REVIEW WOULD HAVE BEEN GREATLY FACILITATED IF THE SUPPLEMENTARY DOCUMENTS (MIT PROPOSAL, STRATEGIC OPERATING PLAN, AND 1962 EVALUATION RESPONSE), AS WELL AS SOME CLARIFICATION/EXPLANATION OF THE OVERALL MISSION SPECIAL OBJECTIVES IN CONDUCTING THIS EVALUATION, HAD BEEN PROVIDED WITH THE EVALUATION SUBMISSION.

5. REQUEST MISSION COMMENT ON ALTERNATIVE OPTION

PRESENTED PARA 2 ABOVE. SHULTZ

PT
#9252

NNNN

JFM

UNCLASSIFIED

STATE 289252 2/2

ANNEX IX

Original Project Agreement
August 17, 1978

First Amendment to Grant
Agreement September 28, 1980

A.I.D. Project Number 263-0061

PROJECT
GRANT AGREEMENT
AMONG
THE
ARAB REPUBLIC OF EGYPT,
THE UNITED STATES OF AMERICA
AND
CAIRO UNIVERSITY
FOR
DEVELOPMENT PLANNING STUDIES

DATED: August 17, 1978

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A.I.D. Project 263-0061

Project Grant Agreement

Dated: August 17, 1978

Among

The Arab Republic of Egypt, "Grantee,"
Cairo University ("CU")

And

The United States of America, acting through the
Agency for International Development ("A.I.D.").

Article 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties") with respect to the undertaking by the Grantee of the Project described below, and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, ~~will~~ consist of assistance provided to agencies of the Grantee and to CU - initially under a direct, two-year contract between A.I.D. and a U.S. participating institute - to strengthen the capabilities of the Grantee's Ministries to

utilize more appropriate and professional development program and planning methods. The primary objective of the first two years of the Project is to establish an Institute of Technological Planning within Cairo University with the capacity of assisting the Grantee's Ministries in the areas of applied research on important Egyptian developmental problems, program development, project implementation and training. To accomplish this, the U.S. participating institute will assist CU and the appropriate Grantee's Ministries in obtaining the following objectives:

- . Establishment of an Institute of Technological Planning at CU by August 31, 1979.
- . Organization of resource teams to assist in specific applied research studies requested by ministries and other interested entities.
- . Development of technical advisory services at the Institute.
- . Training of Egyptians in-country, at the U.S. participating institute and in other appropriate institutes.
- . Organization of conferences, seminars and meetings pertinent to the objectives stated above.

During the remaining three years of the Project, the objective will be to provide continuing but diminishing assistance to the new

Institute so that at the end of five years the Institute can provide consultative services to government agencies on a self-supporting basis.

The Project shall finance technical assistance, training, applied research, evaluations, and related commodity support required to further Project activities.

Cairo University shall implement this Agreement on behalf of the Grantee.

Annex 1, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2., without formal amendment of this Agreement.

SECTION 2.2. Incremental Nature of Project.

(a) A.I.D.'s contribution to the Project will be provided in increments, the initial one being made available in accordance with Section 3.1. of this Agreement. Subsequent increments will be subject to availability of funds to A.I.D. for this purpose, and to the mutual agreement of the Parties, at the time of a subsequent increment, to proceed.

(b) Within the overall Project Assistance Completion Date stated in this Agreement, A.I.D. based upon consultation with the Grantee,

may specify in Project Implementation Letters appropriate time periods for the utilization of funds granted by A.I.D. under an individual increment of assistance.

Article 3: Financing

SECTION 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed three million eight hundred thousand United States ("U.S.") Dollars (\$3,200,000) and two million three hundred thousand Egyptian Pounds (LE 2,300,000) ("Grant").

The Grant may be used to finance foreign exchange costs, as defined in Section 6.1., and local currency costs, as defined in Section 6.2., of goods and services required for the Project, except that, unless the Parties otherwise agree in writing, Local Currency Costs financed under the Grant will not exceed the Egyptian Pound portion of the Grant.

SECTION 3.2. Grantee Resources for the Project.

(a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by the Grantee for the first two years of the Project will be not less than five hundred and forty thousand in Egyptian Pounds (LE 540,000), including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The "Project Assistance Completion Date" (PACD), which is August 31, 1983, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Request for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters are to be received by A.I.D. or any bank described in Section 7.1. no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D.,

giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Conditions Precedent to Disbursement

SECTION 4.1. First Disbursement. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee will, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) A statement of the names of the persons holding or acting in the offices of the Grantee specified in Section 8.2. and of any additional representatives, together with a specimen signature of each person specified in such statements; and,

(b) Such other information and documents as A.I.D. may reasonably require.

SECTION 4.2. Additional Disbursement. Prior to disbursement under the grant, or to issuance by A.I.D. of documentation pursuant to which disbursement will be made, for any purpose other than to finance the first two years' activities under the Grant, the Grantee will, except as the Parties may otherwise agree in writing, furnish

to A.I.D. in form and substance satisfactory to A.I.D.:

(a) An evaluation conducted by the Grantee of progress toward attainment of objectives of the Project up to that date, which evaluation shall have been approved by A.I.D.;

(b) Evidence of the establishment of an Institute of Technological Planning within CU, with authorities and functions approved by A.I.D. and whose initial staffing shall have been designated; and,

(c) Such other information and documents as A.I.D. may reasonably require.

SECTION 4.3. Notification. When A.I.D. has determined that the conditions precedent specified in Sections 4.1. and 4.2. have been met, it will promptly notify the Grantee.

SECTION 4.4. Terminal Dates for Conditions Precedent.

(a) If all of the conditions specified in Section 4.1. have not been met within 90 days from the date of this Agreement, or such later date as A.I.D. may agree in writing, A.I.D., at its option, may terminate this Agreement by written notice to the Grantee; and,

(b) If all of the conditions specified in Section 4.2. have not been met by August 31, 1980, or such later date as A.I.D. may agree to in writing, A.I.D. at its option, may cancel the then undisbursed balance of the Grant, to the extent not irrevocably committed to third parties, and may terminate this Agreement by written notice to the

Grantee.

Article 5: Special Covenants

SECTION 5.1. Project Evaluation. The Parties agree to establish an evaluation program as an integral part of the Project. Except as the Parties otherwise agree in writing the program will include, during the implementation of the Project and at one or more points thereafter:

(a) Evaluation of progress toward attainment of the objectives of the Project;

(b) Identification and evaluation of problem areas or constraints which may inhibit such attainment;

(c) Assessment of how such information may be used to help overcome such problems;

(d) Evaluation, to the degree feasible, of the overall development impact of the Project; and,

(e) Arrangements and conditions further described in Section D of Annex 1.

SECTION 5.2. Establishment of a New Joint Advisory Committee. The Grantee and CU agree to establish a new Joint Advisory Committee of a nature and composition acceptable to A.I.D. This new Joint Advisory Committee will be established within six months from the date

of the Grant Agreement and will include representation from the Grantee's Ministries. The Grantee will provide A.I.D. with a statement of the Committee's authorities, functions and initial membership. The Grantee and CU agree to make available representatives from their respective organizations to serve as Members of the new Joint Advisory Committee.

SECTION 5.3. Criteria for Selection of Sub-projects. The Grantee and CU agree to establish criteria acceptable to A.I.D. for the selection of sub-project activities, within six months from the date of the Grant Agreement. The Grantee and CU further agree that one such criterion will be the proportion of costs to be financed by the outside entity or the Grantee's Ministry interested in the sub-project activity.

SECTION 5.4. Establishment of the Institute. The Grantee and CU agree to establish an Institute for Technological Planning by August 31, 1979.

SECTION 5.5 Space for the Institute. The Grantee agrees to provide, through Cairo University, adequate space which will be used to house the Institute in order for it to carry out its activities.

SECTION 5.6. Operations of the Institute. Cairo University agrees to:

(a) Provide a full time Director for the Institute and such other full or parttime personnel as may be required;

(b) Make staff members available to participate in an academic exchange program at the U.S. participating institution; and,

(c) Make staff members available, as may be required, to the Institute to participate in applied research studies, provide technical advisory services, and serve as instructors.

SECTION 5.7. A.I.D. Direct Contract. The Grantee agrees that as soon as possible after signing of this Agreement and satisfaction of the conditions precedent to first disbursement, A.I.D. may enter into a direct two-year contract with a U.S. institution to provide the services required for the Project. The contract will be subject to standard A.I.D. provisions and shall be funded under this Grant.

Article 6: Procurement Source

SECTION 6.1. Foreign Exchange Costs. Disbursements pursuant to Section 7.1. will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project

Grant Standard Provisions Annex, Section C.1(b) with respect to marine insurance.

SECTION 6.2. Local Currency Costs. Disbursements pursuant to Section 7.2. will be used exclusively to finance the costs of goods and services required for the Project having their source in Egypt and, except as A.I.D. may otherwise agree in writing, their origin countries listed in Code 935 of the AID Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services ("Local Currency Costs").

Article 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Grantee obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

- (1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for reimbursement for such goods or services, or, (B) requests for A.I.D. to procure commodities or services in Grantee's behalf for the Project; or

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2. Disbursement for Local Currency Costs.

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursements may be obtained from local currency also owned by the U.S. Government

SECTION 7.3. Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

Article 8: Miscellaneous

SECTION 8.1. Communications. Any notice, request, document or other communication submitted by any Party to one or more of the others under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following addresses:

To the Grantee (either one or both):

Mail Address: Office of the Rector Cairo University Cairo, Egypt	The Minister of Economy and Economic Cooperation, Ministry of Economy and Economic Cooperation, 8, Adly Street Cairo, Egypt
--	--

Alternate address for cables:

Office of the Rector Cairo University Cairo, Egypt	The Minister of Economy and Economic Cooperation, Ministry of Economy and Economic Cooperation, 8, Adly Street Cairo, Egypt
--	--

To A.I.D.:

Mail Address: A.I.D.
U.S. Embassy
Cairo, Egypt

Alternate address for cables:

A.I.D.
U.S. Embassy
Cairo, Egypt

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice. The Grantee, in addition, will provide the U.S. AID Mission with a copy of each communication sent to A.I.D.

SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individuals holding or acting in the offices of the Minister of Economy and Economic Cooperation, the Deputy Chairman of the General Authority for Arab and Foreign Investment and Free Zones, and the Rector, Cairo University, and A.I.D. will be represented by the individual holding or acting in the office of the Director, U.S. AID, Cairo, Egypt, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1. to revise elements of the amplified description to Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement,

until receipt of written notice of revocation of their authority.

SECTION 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2) is attached to and forms part of this Agreement.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

BY : Hamed El Sayeh
NAME : Dr. Hamed El Sayeh
TITLE: The Minister of Economy and Economic Cooperation

CAIRO UNIVERSITY

BY : S. Abutaleb
NAME : Dr. Soufy Abou Taleb
TITLE: Rector, Cairo University

UNITED STATES OF AMERICA

BY : Donald S. Brown
NAME : Donald S. Brown
TITLE: Director, U.S. AID

Project 263-0061

ANNEX 1

DESCRIPTION OF PROJECT

A.. Introduction

The Project described herein is a result of work initiated in December of 1976, when A.I.D. signed a contract with the Massachusetts Institute of Technology (M.I.T.) to establish a collaborative research effort with Cairo University and various interested Ministries of the Grantee to improve their capabilities in analyzing, planning and managing work on important Egyptian developmental problems. At the same time the feasibility of institutionalizing the processes established to carry out this work was examined. It was determined by A.I.D. the success of M.I.T.'s initial work warranted devising a five-year project which would continue the process and build a semi-autonomous Institute at CU capable of carrying out independently in the future the joint research effort involving CU with outside entities and Grantee's Ministries.

B. Project Description

1. Summary

This Grant Agreement is a result of A.I.D.'s approval of the Project and provides assistance to the Grantee in creating improved developmental program and project planning and management capabilities

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within several Egyptian Ministries. The Project will establish a permanent institution in association with Cairo University through which the following mutually supportive objectives will be accomplished:

- Provision of Egyptian based technical research and training assistance to government technical ministries and agencies and to government planning agencies;
- Mobilization of Egyptian academic resources for applied research on specific developmental problems; and,
- Creation of a permanent Egyptian institutional framework through which applied research and training capabilities can be directed to Egyptian development problems.

The Project also provides the means whereby analyses of technical and economic development programs will be carried out with assistance from a participating U.S. institution. Thus, the Project's institutional development objective is to be achieved in large part by direct work on important priority development problems confronting Egyptian government ministries. It is planned that twelve problems will be under study at any given time and that several conferences and training programs will be carried out annually. The selection of areas for study will be based on their direct relevance to significant

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Egyptian development problems, the proportion of costs shared by the involved outside entity, and criteria to be established during the first few months of the Project.

This Project's innovative approach will vest considerable responsibility in the participating U.S. institution, Cairo University, and the Egyptian government. They will share responsibility for determining the feasibility of project activities and assuring that the benefits of their actions will be transferred to the targeted institutions and Egypt's development program. The success of this effort will be the major factor in evaluating this Project.

The implementation, management and annual reviews of the Project will be directed initially by a Joint Advisory Committee, which has CU and U.S. university members, and later through a new Joint Advisory Committee to be established in connection with the formation of the proposed Institute. (See Section B for a discussion of the responsibilities and membership of the new Joint Advisory Committee.) A.I.D. will maintain a close working relationship with these Committees and will participate, as appropriate, in the annual reviews of Project progress.

A major in-depth evaluation of Project progress will be made during the second year to determine the advisability of A.I.D. funding

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beyond the initial two years of the Project. Two other in-depth evaluations will be subsequently conducted during the remaining life of the Project.

2. Activity Details

The Project will consist of a set of activities that draw together the needed resources to address and resolve important development problems faced by the Ministries. A program of applied research is the largest portion of the proposed effort and will organize a set of sub-project teams to provide continuing assistance on development problems of interest to the Ministries. These sub-project teams will consist of members of CU's and the U.S. participating institute's faculties as well as the Grantee's Ministries personnel. Cairo University will be responsible for making available its interested faculty members on a given team.

To organize and coordinate these activities on a permanent basis at Cairo University, the establishment of an Institute for Technological Planning has been proposed. Given the continued interest of the Cairo University administration in establishing the Institute and of several Ministries in utilizing its services, assistance will be provided to the University in organizing the technical and administrative activities of the Institute. In addition to the program of

applied research, the Institute will organize shorter-term technical assistance and advisory services through which sub-project team members or other Cairo University resources are utilized on specific activities related to the formulation of a development plan or implementation of a project. As presently conceived, the Institute will also provide training programs to expand the capabilities of present and future Ministry planners. Thus, the anticipated efforts of the Institute will be in the three areas: A program of applied research, technical advisory services, and the training programs. Grantee Ministries involved, or other outside interested entities, are expected to pick up an increasing portion of the costs of the services provided by the Institute such that by the PACD the Institute can be financially independent and operating without further A.I.D.-funded assistance.

A general framework for the activities can be defined in terms of the analytic approaches considered feasible for the studies. Three general approaches or orientations to specific sub-projects will be utilized:

1. Engineering analysis and technical project evaluation will address specifically technical issues, including field and laboratory studies, design, training requirements, etc.;

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2. Economic analysis will focus on project, sector and national planning issues, micro- and macroeconomic studies related to specific Egyptian development programs; and,
3. An interdisciplinary approach is required for the development programs which focus on the social issues, overall economic policy formulation, and specific projects on population and labor force issues, socio-economic change including urbanization, social services, technology transfer, and development administration strategies.

The economic and social analysis complement the technological aspects of the studies and place them in their proper developmental context. Invariably some consideration of the issues raised by each approach are incorporated in the planning and evaluation phases of specific sub-projects.

The technical effort will address a range of topics that can be classified into four general areas:

- . Public Works
- . Energy
- . Manufacturing
- . Social-economic Development and Administrative Policies

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Assurance that the activities carried out by the Institute reflect government priorities should result from the inclusion of appropriate government representation on the new Joint Advisory Committee of the Institute; and the criteria to be established for selecting these activities. Each research proposal will also be reviewed and approved by the Minister of the relevant Ministry.

3. Organizational and Administrative Arrangements

Until the Institute is formally established, the Project will maintain the general management and administrative organization developed during the pre-project feasibility phase.

The principal organizational elements and responsibilities include:

- a) institutional and administrative agreements between CU and the U.S. participating institution;
- b) one Program Director each for the participating U.S. institution and CU to be responsible for coordinating and organizing their respective institution's inputs into the Project and ensure that contractual or institutional requirements are being satisfied;
- c) a joint CU-US participating institute Liaison Office established at CU with a Director and staff to

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administer the day-to-day Project activities and ensure effective cooperation with government or outside clients; and,

- d) a Joint Advisory Committee, consisting of members from CU and the U.S. participating institute, to provide overall policy and administrative direction to the Liaison Office.

When the Institute of Technological Planning at CU is established, it will incorporate the existing Liaison Office. The Liaison Office will be maintained within the Institute in order to carry out the U.S. participating institute's administrative and contractual obligations to A.I.D. The authorities and functions of this Institute will be worked out in detail by the new Joint Advisory Committee (discussed below) and approved by A.I.D. The Institute will be given adequate office space by the Grantee through Cairo University in which to carry out its activities.

The Joint Advisory Committee will be replaced by a new Joint Advisory Committee for the Institute which will be established within six months from the date of this Agreement in the context of the formal establishment of the Institute, and a full-time Director of the Institute will be appointed. This Joint Advisory Committee is expected to be

chaired by the CU Vice-Rector of Graduate Studies and include representatives from:

- a. Senior Participating Cairo University Faculty (2)
(one of whom may be the Director of the Institute);
- b. Senior Participating Ministry Staff (3) (One of whom will be from the Ministry of Plan or will be knowledgeable of overall Grantee development priorities.);
- c. Senior Cairo University Administrators (2) (One of whom may be the Director of the Institute and one of whom may be the Committee Chairman.);
- d. Director of the Institute (1); and, possibly at a later date,
- e. Foreign Cooperating Academic Institutions (2).

This Joint Advisory Committee will be responsible for identification and selection of activity proposals in areas of interest to the Egyptian government and the Institute according to criteria to be established within six months from the date of this Agreement; for assessment of benefits derived from the various activities of the Institute; and for determining the extent to which the institutional-building purposes of the Institute have been achieved and the Institute has met the criteria of having contributed to the ability of the government to carry out project and program development activities.

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A.I.D. will maintain close working relations with this Committee, and will participate as appropriate in the annual reviews of Project progress.

It is planned that as soon as A.I.D.'s direct contractual responsibility ends in two years when the Institute has been formally established and favorably evaluated, Cairo University will negotiate and execute a contract directly with a U.S. participating institution to continue to carry out the Project.

C. Reporting

The Grantee shall cause to be submitted annual Project progress reports for all aspects of Project activities. These reports will be prepared in conjunction with CU, the U.S. participating institute, relevant Egyptian counterparts and, as appropriate, USAID/Egypt. These reports will form a base for decisions on modifications, discontinuations, or extension of the Project. They will also provide basic information for the evaluations. The Grantee will deliver to A.I.D. by August 31 of each year a report to include:

Status of contracting permanent and short-term personnel for Project implementation and related technical arrangements.

This section will describe problems in the selection of professionals, timely delivery and completion of their services.

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- Status and work assignments for administrative and technical personnel assigned to the Project from departments at Cairo University, and the participating U.S. institution.
- Status of Project activities with respect to:
 - a. Coordination with ministries, agencies, joint working groups, and international organizations.
 - b. Development and application of Cairo University/U.S. institution's analysis/assessment capability applied to actual and planned projects.
 - c. Degree of intergovernmental and public acceptance of project team concept as planning analysis resource.
- Status of establishment of Institute for Technological Planning with respect to:
 - a. Administrative arrangements;
 - b. Financial control mechanisms;
 - c. Prospects and plans for obtaining full financial support, independent of A.I.D.; and,
 - d. Training programs planned and underway.

The Grantees will deliver to the Director, USAID/Egypt five copies of all final Project progress reports.

D. Evaluations

A.I.D., the U.S. participating institute, the Grantee and CU will participate in the establishment of an evaluation plan, and in the drafting of scopes of work and carrying out the in-depth evaluations of the Project. The evaluations will focus on the program in Section 5.1. of this Agreement and the following:

- a. The progress toward developing and implementing the research, technical assistance and training programs of the Institute;
- b. The level of Grantee or outside financial support for the Institute and the Institute's plans for obtaining financial independence from A.I.D. by the end of the Project;
- c. The implementation by the Institute of a training program for the Grantee's participants to provide Ministries with the capability to utilize successfully the Institute after Project termination;
- d. The progress toward developing an Egyptian capability to translate development problems into researchable issues and to manage such problem-solving research; and,
- e. The contribution specific sub-project studies are making to Project objectives (the technical aspects of the activities themselves will not be evaluated).

The first evaluation shall have been conducted and submitted to A.I.D. for approval by no later than June 30, 1980. The timing of the

evaluations to be conducted after the first one will be agreed upon by A.I.D. and CU before the end of the first two years of the Project. It is currently believed that the most appropriate timing for these evaluations would be within two years from the completion of the first evaluation and at the completion of the Project.

E. Program Budget

During the first two years of the Project, the funding requirements are anticipated to remain at approximately the rate reached by the end of the pre-project feasibility stage. Additional expenditures will be required for the start-up of the Institute and development of the educational programs. Beginning in year three, a reduction in the direct U.S. participating institute's involvement on project teams and program administration will take place with a subsequent reduction in A.I.D. financing. While the total Egyptian effort and local currency requirements would increase for the last two years, direct financing by the Ministries and other government agencies of the research and educational programs of the Institute would further reduce the funding required from A.I.D. By the PACD, independent financing of the administration and educational programs of the Institute will cover its budget. Financing of specific research projects may be obtained

from participating Ministries, national and international agencies, including A.I.D., as topics of mutual interest are identified.

An illustrative budget summary for the Project is provided in the following table:

Project Grant Standard

Provisions Annex

Annex 2

Definitions: As used in this Annex, the "Agreement" refers to the Project Grant Agreement to which this Annex is attached and of which this Annex forms a part. Terms used in this Annex have the same meaning or reference as in the Agreement.

Article A: Project Implementation Letters.

To assist Grantee in the implementation of the Project, A.I.D., from time to time, will issue Project Implementation Letters that will furnish additional information about matters stated in this Agreement. The parties may also use jointly agreed-upon Project Implementation Letters to confirm and record their mutual understanding on aspects of the implementation of this Agreement. Project Implementation Letters will not be used to amend the text of the Agreement, but can be used to record revisions or exceptions which are permitted by the Agreement, including the revision of elements of the amplified description of the Project in Annex 1.

Article B: General Covenants

SECTION B.1 Consultation. The Parties will cooperate to assure that the purpose of this Agreement will be accomplished. To this end, the Parties, at the request of either, will exchange views on the progress of the Project, the performance of obligations under this Agreement, the performance of any consultants, contractors or suppliers engaged on the Project, and other matters relating to the Project.

SECTION B.2. Execution of Project. The Grantee will:

- (a) carry out the Project or cause it to be carried out with due diligence and efficiency, in conformity with sound technical, financial, and management practices, and in conformity with those documents, plans, specifications, contracts, schedules or other arrangements, and with any modifications therein, approved by A.I.D. pursuant to this Agreement; and
- (b) provide qualified and experienced management for, and train such staff as may be appropriate for the maintenance and operation of the Project, and, as applicable for continuing activities, cause the Project to be operated and maintained in such manner as to assure the continuing and successful achievement of the purposes of the Project.

SECTION B.3. Utilization of Goods and Services.

- (a) Any resources financed under the Grant will, unless otherwise agreed in writing by A.I.D., be devoted to the Project until the completion of the Project, and thereafter will be used so as to further the objectives sought in carrying out the Project.

r services financed under the Grant, except as A.I.D. may
se agree in writing, will not be used to promote or assist a
aid project or activity associated with or financed by a
not included in Code 935 of the A.I.D. Geographic Code Book
ffect at the time of such use.

Taxation. (a) This Agreement and the Grant will be free
/ taxation or fees imposed under laws in effect in the
y of the Grantee.

extent that (1) any contractor, including any consulting firm,
onnel of such contractor financed under the Grant, and any
/ or transaction relating to such contracts and (2) any commodity
ent transaction financed under the Grant, are not exempt from
able taxes, tariffs, duties or other levies imposed under laws
t in the territory of the Grantee, the Grantee will, as and to
nt provided in and pursuant to Project Implementation Letters,
eimburse the same with funds other than those provided under
t.

Reports, Records, Inspections, Audit.

tee will:

A.I.D. such information and reports relating to the Project
his Agreement as A.I.D. may reasonably request;

or cause to be maintained, in accordance with generally
accounting principles and practices consistently applied,
i records relating to the Project and to this Agreement,
to show, without limitation, the receipt and use of goods
ices acquired under the Grant. Such books and records will
ed regularly, in accordance with generally accepted auditing
s, and maintained for three years after the date of last
ent by A.I.D.; such books and records will also be adequate
the nature and extent of solicitations of prospective suppliers
and services acquired, the basis of award of contracts and
and the overall progress of the Project toward completion; and

uthorized representatives of a Party the opportunity at all
le times to inspect the Project, the utilization of goods and
financed by such Party, and books, records and other documents
to the Project and the Grant.

SECTION B.6. Completeness of Information.

The Grantee confirms:

- (a) that the facts and circumstances of which it has informed A.I.D., or caused A.I.D. to be informed, in the course of reaching agreement with A.I.D. on the Grant, are accurate and complete, and include all facts and circumstances that might materially affect the Project and the discharge of responsibilities under this Agreement;
- (b) that it will inform A.I.D. in timely fashion of any subsequent facts and circumstances that might materially affect, or that it is reasonable to believe might so affect, the Project or the discharge of responsibilities under this Agreement.

SECTION B.7. Other Payments.

Grantee affirms that no payments have been or will be received by any official of the Grantee in connection with the procurement of goods or services financed under the Grant, except fees, taxes, or similar payments legally established in the country of the Grantee.

SECTION B.8. Information and Marking.

The Grantee will give appropriate publicity to the Grant and the Project as a program to which the United States has contributed, identify the Project site, and mark goods financed by A.I.D., as described in Project Implementation Letters.

Article C. Procurement Provisions

SECTION C.1. Special Rules.

- (a) The source and origin of ocean and air shipping will be deemed to be the ocean vessel's or aircraft's country of registry at the time of shipment.

(b) Premiums for marine insurance placed in the territory of the Grantee will be deemed an eligible Foreign Exchange Cost, if otherwise eligible under Section C.7(a).

(c) Any motor vehicles financed under the Grant will be of United States manufacture, except as A.I.D. may otherwise agree in writing.

(d) Transportation by air, financed under the Grant, of property or persons (and their personal effects) will be on carriers holding United States certification, to the extent service by such carriers is available. Details on this requirement will be described in a Project Implementation Letter.

SECTION C.2. Eligibility Date.

No goods or services may be financed under the Grant which are procured pursuant to orders or contracts firmly placed or entered into prior to the date of this Agreement, except as the Parties may otherwise agree in writing.

SECTION C.3. Plans, Specifications, and Contracts.

In order for there to be mutual agreement on the following matters, and except as the Parties may otherwise agree in writing:

(a) The Grantee will furnish to A.I.D. upon preparation,

(1) any plans, specifications, procurement or construction schedules, contracts, or other documentation relating to goods or services to be financed under the Grant, including documentation relating to the pre-qualification and selection of contractors and to the solicitation of bids and proposals. Material modifications in such documentation will likewise be furnished A.I.D. on preparation;

(2) such documentation will also be furnished to A.I.D., upon preparation, relating to any goods or services which, though not financed under the Grant, are deemed by A.I.D. to be of major importance to the Project. Aspects of the Project involving matters under this subsection (a) (2) will be identified in Project Implementation Letters;

(b) Documents related to the prequalification of contractors, and to the solicitation of bids or proposals for goods and services financed under the Grant will be approved by AID in writing prior to their issuance, and their terms will include United States standards and measurements:

(c) Contracts and contractors financed under the Grant for engineering and other professional services, for construction services, and for such other services, equipment or materials as may be specified in Project Implementation Letters, will be approved by A.I.D. in writing prior to execution of the contract. Material modifications in such contracts will also be approved in writing by A.I.D. prior to execution; and

(d) Consulting firms used by the Grantee for the Project but not financed under the Grant, the scope of their services and such of their personnel assigned to the Project as A.I.D. may specify, and construction contractors used by the Grantee for the Project but not financed under the Grant, shall be acceptable to A.I.D.

SECTION C.4. Reasonable Price.

No more than reasonable prices will be paid for any goods or services financed, in whole or in part, under the Grant. Such items will be procured on a fair and, to the maximum extent practicable, on a competitive basis.

SECTION C.5. Notification to Potential Suppliers.

To permit all United States firms to have the opportunity to participate in furnishing goods and services to be financed under the Grant, the Grantee will furnish A.I.D. such information with regard thereto, and at such times, as A.I.D. may request in Project Implementation Letters.

SECTION C.6. Shipping.

(a) Goods which are to be transported to the territory of the Grantee may not be financed under the Grant if transported either:

- (1) on an ocean vessel or aircraft under the flag of a country which is not included in A.I.D. Geographic Code 935 as in effect at the time of shipment, or
 - (2) on an ocean vessel which A.I.D., by written notice to the Grantee has designated as ineligible; or
 - (3) under an ocean or air charter which has not received prior A.I.D. approval.
- (b) Costs of ocean or air transportation (of goods or persons) and related delivery services may not be financed under the Grant, if such goods or persons are carried:
- (1) on an ocean vessel under the flag of a country not, at the time of shipment, identified under the paragraph of the Agreement entitled "Procurement Source: Foreign Exchange Costs," without prior written A.I.D. approval; or
 - (2) on an ocean vessel which A.I.D., by written notice to the Grantee, has designated as ineligible; or
 - (3) under an ocean vessel or air charter which has not received prior A.I.D. approval.
- (c) Unless A.I.D. determines that privately-owned United States-flag commercial ocean vessels are not available at fair and reasonable rates for such vessels,
- (1) at least fifty percent (50%) of the gross tonnage of all goods (computed separately for dry bulk carriers, dry cargo liners and tankers) financed by A.I.D. which may be transported on ocean vessels will be transported on privately-owned United States-flag commercial vessels, and
 - (2) at least fifty percent (50%) of the gross freight revenue generated by all shipments financed by A.I.D. and transported to the territory of the Grantee on dry cargo liners shall be paid to or for the benefit of privately-owned United States-flag commercial vessels.

Compliance with the requirements of (1) and (2) of this subsection must be achieved with respect to both any cargo transported from U.S. ports and any cargo transported from non-U.S. ports, computed separately.

SECTION C.7. Insurance.

(a) Marine insurance on goods financed by A.I.D. which are to be transported to the territory of the Grantee may be financed as a Foreign Exchange Cost under this Agreement provided

(1) such insurance is placed at the lowest available competitive rate, and

(2) claims thereunder are payable in the currency in which such goods were financed or in any freely convertible currency.

If the Grantee (or government of Grantee), by statute, decree, rule, regulation, or practice discriminates with respect to A.I.D.-financed procurement against any marine insurance company authorized to do business in any State of the United States, then all goods shipped to the territory of the Grantee financed by A.I.D. hereunder will be insured against marine risks and such insurance will be placed in the United States with a company or companies authorized to do a marine insurance business in a State of the United States.

(b) Except as A.I.D. may otherwise agree in writing, the Grantee will insure, or cause to be insured, goods financed under the Grant imported for the Project against risks incident to their transit to the point of their use in the Project; such insurance will be issued on terms and conditions consistent with sound commercial practice and will insure the full value of the goods. Any indemnification received by the Grantee under such insurance will be used to replace or repair any material damage or any loss of the goods insured or will be used to reimburse the Grantee for the replacement or repair of such goods. Any such replacements will be of source and origin of countries listed in A.I.D. Geographic Code 935 as in effect at the time of replacement; and, except as the Parties may agree in writing, will be otherwise subject to the provisions of the Agreement.

SECTION C. 8. U.S. Government-owned Excess Property

The Grantee agrees that wherever practicable United States Government-owned excess personal property, in lieu of new items financed under the Grant, should be utilized. Funds under the Grant may be used to finance the costs of obtaining such property for the Project.

Article D: Termination; Remedies.

SECTION D.1. Termination.

Either Party may terminate this Agreement by giving the other Party 30 days written notice. Termination of this Agreement will terminate any obligations of the Parties to provide financial or other resources to the Project pursuant to this Agreement, except for payments which they are committed to make pursuant to non-cancellable commitments entered into with third parties prior to the termination of this Agreement. In addition, upon such termination A.I.D. may, at A.I.D.'s expense, direct that title to goods financed under the Grant be transferred to A.I.D. if the goods are from a source outside Grantee's country, are in a deliverable state and have not been offloaded in ports of entry of Grantee's country.

SECTION D. 2. Refunds.

- (a) In the case of any disbursement which is not supported by valid documentation in accordance with this Agreement, or which is not made or used in accordance with this Agreement, or which was for goods or services not used in accordance with this Agreement, A.I.D., notwithstanding the availability or exercise of any other remedies under this Agreement, may require the Grantee to refund the amount of such disbursement in U.S. Dollars to A.I.D. within sixty days after receipt of a request therefor.
- (b) If the failure of Grantee to comply with any of its obligations under this Agreement has the result that goods or services financed under the Grant are not used effectively in accordance with this Agreement, A.I.D. may require the Grantee to refund all or any part of the amount of the disbursements under this Agreement for such goods or services in U.S. Dollars to A.I.D. within sixty days after receipt of a request therefor.
- (c) The right under subsection (a) or (b) to require a refund of a disbursement will continue, notwithstanding any other provision of this Agreement, for three years from the date of the last disbursement under this Agreement.

(d) (1) Any refund under subsection (a) or (b), or (2) any refund to A.I.D. from a contractor, supplier, bank or other third party with respect to goods or services financed under the Grant, which refund relates to an unreasonable price for or erroneous invoicing of goods or services, or to goods that did not conform to specifications, or to services that were inadequate, will (A) be made available first for the cost of goods and services required for the Project, to the extent justified, and (B) the remainder, if any, will be applied to reduce the amount of the Grant.

(e) Any interest or other earnings on Grant funds disbursed by A.I.D. to the Grantee under this Agreement prior to the authorized use of such funds for the Project will be returned to A.I.D. in U.S. Dollars by the Grantee.

SECTION D.3. Nonwaiver of Remedies.

No delay in exercising any right or remedy accruing to a Party in connection with its financing under this Agreement will be construed as a waiver of such right or remedy.

SECTION D.4. Assignment.

The Grantee agrees, upon request, to execute an assignment to A.I.D. of any cause of action which may accrue to the Grantee in connection with or arising out of the contractual performance or breach of performance by a party to a direct U.S. Dollar contract with A.I.D. financed in whole or in part out of funds granted by A.I.D. under this Agreement.

CONFORMED
COPY

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ANNEX XI

A.I.D. PROJECT NUMBER 263-0061

FIRST AMENDMENT
TO
GRANT AGREEMENT
BETWEEN THE
UNITED STATES OF AMERICA
AND THE
ARAB REPUBLIC OF EGYPT
FOR
DEVELOPMENT PLANNING STUDIES

Dated: September 28, 1980

First Amendment, dated September 28, 1980 to the Grant Agreement, dated August 17, 1976 between the Arab Republic of Egypt ("Grantee") the United States of America, acting through the Agency for International Development ("A.I.D.") ("Parties") and Cairo University ("CU") as implementing organization, for Development Planning Studies.

SECTION 1. The Grant Agreement is amended as follows:

(a) Section 3.1 is deleted in its entirety and the following new Section 3.1 is substituted therefor:

"SECTION 3.1 The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed Fifteen Million Eight Hundred Thousand United States ('U.S.') Dollars (\$15,800,000) and Two Million Three Hundred Thousand Egyptian Pounds (LE 2,300,000) ('Grant'). Of the amount of U.S. Dollars made available hereunder, and in addition to the amount of Egyptian Pounds referred to above, an amount not to exceed Six Million U.S. Dollars may be converted into Egyptian pounds to help finance the local currency costs of the Project.

"The Grant may be used to finance foreign exchange costs, as defined in Section 6.1., and local currency costs, as defined in Section 6.2., of goods and services required for the project, except that, unless the Parties otherwise agree in writing, Local Currency Costs financed under the Grant will not exceed the sum of the Egyptian Pound portion of the Grant

and the amount of Egyptian Pounds obtained from conversion of the U.S. Dollars as authorized in the preceding paragraph."

(b) Section 3.2 (b) is deleted in its entirety and a new Section 3.2(b) is substituted as follows:

"(b) The Grantee shall also provide not less than Eight Million Five Hundred Thousand Egyptian Pounds (LE 8,500,000), including costs borne on an 'in-kind' basis, to cover Project costs during the life of the Project."

(c) Section 6.2. is deleted in its entirety and the following new section 6.2 is substituted therefor:

"SECTION 6.2. Local Currency Costs. Disbursement pursuant to Section 7.2 of local currency owned by the U.S. Government will be used exclusively to finance the costs of goods and services required for the Project having their source in Egypt and, except as A.I.D. may otherwise agree in writing, their origin in countries listed in Code 935 of the AID Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services. Disbursements pursuant to Section 7.2 of local currency obtained from conversion of U.S. Dollars as authorized in Section 3.2 shall be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in Egypt. Both terms of disbursement shall be referred to as 'Local Currency Costs'."

(d) Section 7.2 (b) is deleted in its entirety and the following new Section 7.2 (b) is substituted therefor:

(b) The local currency needed for such disbursements may be obtained from local currency owned by the U.S. Government or by acquisition by A.I.D. with U.S. Dollars by purchase. The U.S. dollar equivalent of the local currency made available by the latter method will be the amount of U.S. dollars required by A.I.D. to obtain the local currency."

(c) Section 7.3 redesignated section 7.4.

(f) A new Section 7.3 is added as follows:

"SECTION 7.3 Rate of Exchange. Except as may be more specifically provided under Section 7.2, if funds provided under the Grant are introduced into Egypt by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that funds may be converted into currency of the Arab Republic of Egypt at the highest rate of exchange prevailing and declared for foreign exchange currency by the competent authorities of the Arab Republic of Egypt."

(g) A Project Description Addendum, attached hereto as Annex 1 to this Amendment No. 1, is hereby incorporated into the Agreement.

(h) The Illustrative Budget Summary for the Project in Annex 1 is deleted in its entirety and a new Illustrative Budget Summary, attached hereto as Attachment 1 to Annex 1 to this Amendment No. 1, is substituted therefor.

SECTION 2. The First Amendment shall enter into force when signed by the representatives of the Arab Republic of Egypt and the United States of America.

Project Description Addendum

Following completion of Phase I of the Project and based upon evaluation of that Phase, the following additions to the Project Description have been agreed upon by the Parties as necessary to describe the key elements of the implementation of the Project during Phase II. Nothing in this addendum shall be interpreted as modifying the description of the Project as it has been carried out in Phase I or as affecting any of the aspects of the Project Description as it existed prior to the execution of Amendment No.1 to the Agreement which have application to the implementation of the Project as a whole.

Phase II of Project Implementation

The Project, through the auspices of the Development Research and Technological Planning Center (DRTPC) established as an autonomous unit of Cairo University under Phase I, will pursue efforts to further strengthen, implement and institutionalize Egyptian capabilities to address and to solve developmental problems of Egypt. It will also support technological development in the country through applied research and technological planning.

During the Project's Phase II, the Participating Institution (MIT), performing its services under a direct contract with A.I.D., will cooperate with and assist the DRTPC, through the provision of consultant advisory services on technical and administrative matters, to institutionalize the procedures developed in this Project. This will in turn enable the DRTPC to become a permanent mechanism for mobilizing academic support for ministry planning efforts and for training future planners. During Phase II additional work in developing the functional organization, management procedures and operational systems will be required. An operational plan to this end shall be prepared and implemented by the MIT and the DRTPC within six months of the initiation of Phase II of this Project.

Activity Details

A set of projects (not exceeding 15 in number) will be selected for implementation during Phase II of the Project under the auspices of the DRTPC with the collaboration of MIT. Their content will be approved by the Project's Executive Committee at Cairo University, based on discussions with the specific ministries involved, appropriate academic faculties in Egypt, the DRTPC Program Coordinating Committee and USAID representatives. Such discussions will insure that the Projects are compatible with the research objectives of each institution.

(1) New Initiatives in Research

The evaluation team which reviewed the performance of Phase I of this Project has recommended that increased efforts in involving additional personnel from Cairo University should be made to strengthen the institutionalization process. In consonance with these recommendations, MIT, in collaboration with the DRTFC, will establish the following new initiatives.

- Undertake a series of mini-research projects of three to six months duration similar to those conducted during the first phase of the Project. Emphasis will be on increasing present Cairo University capabilities which can lead to the development of long-term contracts with ministries.
- Provide support to junior faculty members' research. In this regard junior faculty members would submit a proposal for post-doctoral research to a faculty committee. A small number would be selected and approved. Normally, the selected participants would spend a semester at MIT either as fellows at the Center for Advanced Engineering Study or pursuing an individually structured program within an academic department related to his or her research topic. Counseling services from faculty members, laboratory and computer services would also be made available. The remainder of the time would be spent at Cairo University.
- Provide financial incentive for graduate student theses to be written in areas of relevance to the development goals of the Government of Egypt. The mechanism would be submission of a proposal for review by a faculty committee from both Cairo University and MIT. The committee would then select and provide the necessary support to a limited number of graduate students and physical support to the students' department.

(2) New Initiatives in Educational Activities

In response to the Evaluation Team's recommendation to provide more formal training in order to expand the base of personnel involved, the following new initiatives will be established:

- Course development at Cairo University will be undertaken in a selected number of departments, with both MIT and Cairo University faculty participants.

- Short course packages will be developed by Cairo University and MIT faculty members and offered to ministry and Cairo University personnel in areas such as sector level planning, computer modeling, and cost-benefit analysis.
- A mechanism will be established to encourage the participation of ministry personnel in graduate degree programs at Cairo University similar to mid-career programs in many U.S. universities. Included would be a one-month visit to MIT for discussion of research topics with appropriate faculty members and access to laboratory and computer facilities.
- An internship program will be established within the ministries to utilize the summer recess time available to Cairo University faculty members. This program would provide them with an opportunity to become familiar with the operations within the ministries, and increase the interaction between ministry personnel and Cairo University faculty members which could lead to mutually beneficial long-term relationships.
- Educational hardware will be provided to Cairo University academic departments to support research and thesis work, and to the CRIPC to develop computer, library, and other research facilities.

The above initiatives, both in research and education, are also intended to provide an important incentive to promising Cairo University faculty and ministry personnel to remain in Egypt, rather than pursuing other options which are available to them elsewhere in the Middle East and abroad.

(3) Specific Anticipated Results

Specific anticipated results are summarized here to present the tangible and intangible benefits which it is anticipated will to be derived from the effort planned under Phase II.

- Each specific development project to be undertaken with Egyptian collaborators will generate direct and indirect benefits for the improvement of the economic and social well-being of the Egyptian people. Each project, when initiated, will contain an evaluation plan that will show how these benefits are to be assessed.

- Decision makers and program analysts within specific ministries and agencies in the Egyptian government will gain an appreciation of and develop expertise in the methodologies of project evaluation.
- The Development Research and Technological Planning Center will gain experience in managing research programs, and will be the permanent means of coordinating governmental and academic activities.

(4) Organizational and Administrative Plan

The principal organizational elements of this program are the MIT Technology Adaptation Program, and the Office of the Rector at Cairo University. A Liaison Office, established at Cairo University, currently administers the program activities in Egypt. The Program Policy Committee at MIT and the Executive Committee at Cairo University have had the responsibility along with representatives of the involved ministries of developing new project areas and supervising the progress on existing efforts. The Egyptian Administrative Officer and the Resident MIT Liaison Officer are responsible for the day-to-day operation of the office.

During Phase II it is anticipated that the organizational structure of the program will be modified in order to take advantage of the administrative capabilities developed in DRTPC during the initial phase. Such a reorganization will not only streamline the existing structure but will also provide greater involvement of DRTPC in the management of the activities within the program and provide greater stability for the longer term. At MIT the program will continue to be managed within the Technology Adaptation Program under its Director. The Program's activities will be scrutinized by appropriate MIT committees in order to maintain academic quality control not only of the conduct of its research but also in the selection of topics for research.

At Cairo University the Program will continue to operate under the auspices of the DRTPC. The Cairo University Executive Committee will remain responsible for the operation of the program, and a strong coordination of activities with the DRTPC will be maintained through the committees that have been established.

Institutional and administrative agreements between MIT and Cairo University were signed during Phase I and will be modified as needed to provide the basis for the program organization in this phase.

PHASE I BUDGET
(\$ 000)

	Year 1		Year 2-End Phase I	
	\$	LE	\$	LE
Staff & Administration	352	19	352	19
Project Teams	972	546	972	546
Liaison Office and/or Institute for Technological Planning	100	144	100	164
Educational Programs	20	20	50	30
Visiting Fellows Program	98	6	98	6
Conferences and Seminars	4	7	4	7
Equipment Expenses	156	30	156	30
Equipment International Travel	102	280	102	280
Equipment Travel in Egypt	-	25	-	25
Equipment	-	-	25	10
GRAND TOTAL COST OF PHASE I OF PROGRAM	1804	1077	1859	1117
COST WITH 10% ESCALATOR ON YEAR 2	1804	1077	2045	1229
GOV. CONTRIBUTION		1250		1250
TOTAL ANNUAL PHASE I COSTS	1804	2327	2045	2479
TOTAL PHASE I COSTS: \$3,849 and LE 4,806				

PHASE II ESTIMATED BUDGET
(\$000)

1. Administration	
a. MIT Staff	811,400
b. MIT Direct Expenses	129,100
c. Liaison Office	220,900
d. Administrative Travel	286,800
2. Research	
a. CU/MIT Research Projects (long term)	3,235,300
b. CU/MIT Research Projects (short term)	637,600
c. Research Support for CU Junior Faculty	278,000
3. Educational Programs	
a. Course Development at Cairo University	165,500
b. Short Courses at CRIPC	228,400
c. Support for Graduate Students	762,900
d. Research Support Systems at Cairo University	<u>712,000</u>
Total U.S. Dollars	\$7,467,900

PHASE II ESTIMATED BUDGET
(L.E.000)

Estimate - for
period ending
11/30/83

1. Administration	
a. Cairo University Rector's Office	46,600
b. Liaison Office	243,900
c. DRIPC	185,900
d. Conferences	22,200
e. Administrative Travel	49,200
2. Research	
a. CU/MIT Research Projects (long term)	1,484,600
b. CU/MIT Research Projects (short term)	345,700
c. Research Support for CU Junior Faculty	176,300
3. Educational Programs	
a. Course Development at Cairo University	91,500
b. Short Courses at DRIPC	107,300
c. Support for Graduate Students	350,400
d. Internships at GOE Ministries	<u>68,800</u>
Total Egyptian Pounds From AID Grant	L.E. 3,172,400
GOE Contribution	L.E. 4,280,000

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

IN WITNESS WHEREOF, the Arab Republic of Egypt and the United States of America each acting through its respective duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

BY: [Signature]
NAME: Dr. Abdel Razzak Abdel Masoud
Deputy Prime Minister for
TITLE: Economic & Financial Affairs
and Minister of Planning,
Finance & Economy

UNITED STATES OF AMERICA

BY: [Signature]
NAME: Alfred L. Atherton, Jr.
TITLE: American Ambassador

Implementing Organization

In acknowledgement of the foregoing Agreement, a representative of the Implementing Organization has subscribed his name:

CAIRO UNIVERSITY

BY: [Signature]
NAME: Hassan Handl
Rector
TITLE: Cairo University

ANNEX X

Second Amendment to ProAg

A.I.D. Grant No. 263-0061

SECOND AMENDMENT
TO THE GRANT AGREEMENT
BETWEEN THE
ARAB REPUBLIC OF EGYPT
AND THE
UNITED STATES OF AMERICA
FOR
DEVELOPMENT PLANNING STUDIES

Dated: February 20, 1984

FUNDS RECEIVED
Appropriation No. 72-1141037
R.F.C. NESA-84-23263-KG-13
Project No. 72/00459
Project No. 263-0061 Am # 2
Amount \$ 7,000,000.00
Date 01/22/84
by H.A. [Signature]

A.I.D. Grant No. 263-0061

SECOND AMENDMENT
TO THE GRANT AGREEMENT
BETWEEN THE
ARAB REPUBLIC OF EGYPT
AND THE
UNITED STATES OF AMERICA
FOR
DEVELOPMENT PLANNING STUDIES

Dated: February 20, 1984

Second Amendment, dated February 2, 1984, to the Grant Agreement dated August 17, 1978, between the Arab Republic of Egypt ("Grantee") and the United States of America, acting through the Agency for International Development (A.I.D.) for Development Planning Studies (A.I.D. Grant No. 263-0061).

Section 1. The Grant Agreement is amended as follows:

- a. The text of Section 2.1, Definition of Project, is deleted and the following text is substituted therefor:

Section 2.1. Definition of Project. The Project, which is further described in Annex 1, will consist of assistance provided to agencies of the Grantee and to CU to strengthen the capabilities of the Grantee's Ministries to utilize more appropriate and professional development program and planning methods. The primary objective is to establish an Institute of Technological Planning within Cairo University with the capacity of assisting the Grantee's Ministries in the areas of applied research on important Egyptian developmental problems, program development, project implementation and training. To accomplish this, the U.S. participating institution will assist CU and the appropriate Grantee's Ministries in obtaining the following objectives:

- Establishment of an Institute of Technological Planning at CU.
- Organization of resource teams to assist in specific applied research studies requested by ministries and other interested entities.
- Development of technical advisory services at the Institute.
- Training of Egyptians in-country, at the U.S. participating institution and in other appropriate locations.
- Organization of conferences, seminars and meetings pertinent to the objectives stated above.

During the final three years of the Project (1984-1987) the objective will be to provide continuing but diminishing assistance to the new Institute so that by 31 March 1987 the Institute can provide consultative services to the Grantee's agencies on a self-supporting basis.

The Project shall finance technical assistance, training, applied research, evaluations, and related commodity support required to further Project activities.

Cairo University shall implement this Agreement on behalf of the Grantee.

Annex 1, attached, amplifies the above definition of the Project. Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written agreement of the authorized representatives of the Parties named in Section 8.2., without formal amendment of this Agreement.

b. Section 3.1 is deleted in its entirety and the following new Section 3.1 is substituted therefore:

"SECTION 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed Twenty Two Million Eight Hundred Thousand United States ('U.S.') Dollars (\$22,800,000) and Two Million Three Hundred Thousand Egyptian Pounds (LE 2,300,000) ('Grant').

The Grant may be used to finance foreign exchange costs, as defined in Section 6.1, and local currency costs, as defined in Section 6.2, of goods and services required for the Project."

c. Section 3.2 (b) is deleted in its entirety and a new Section 3.2 (b) is substituted as follows:

"(b) The Grantee shall also provide Egyptian Pounds in an amount equivalent to not less than Six Million Eight Hundred Sixty-Five Thousand U.S. Dollars (\$6,865,000), including costs borne on an 'in-kind' basis, to cover Project costs during the life of the Project. The GOE contribution from 1984 through the end of the Project will be Egyptian Pounds equivalent to not less than \$2.33 Million U.S. Dollars, including costs borne on an in-kind basis.

d. Section 3.3 (a) is amended to delete "March 31, 1984" and substitute therefor "March 31, 1987".

e. Article 5 is amended by addition of new sections 5.8 through 5.10 as follows:

"SECTION 5.8. Budget Adjustments. The Parties agree that Cairo University (DRUPC), AID and the contractor will assess the progress of the Project toward the purpose of institutionalization during the annual reviews and the mid-term evaluation, and will adjust the budget as necessary to assure the accomplishment of that goal within the life of the Project.

SECTION 5.9. Grantee Contribution. The Grantee shall provide to AID the details of its contribution on an annual basis.

SECTION 5.10. Participating Institution. The Parties agree that technical assistance funded by AID under the Grant shall be provided by the Massachusetts Institute of Technology ("MIT") under a direct contract with AID."

f. Section 6.2 is deleted in its entirety and the following text is substituted therefor:

SECTION 6.2. Local Currency Costs. Disbursements pursuant to Section 7.2 of local currency owned by the U.S. Government will be used exclusively to finance the costs of goods and services required for the Project having their source in the Arab Republic of Egypt and, except as A.I.D. may otherwise agree in writing, their origin in countries listed in Code 935 of the AID Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services. Disbursements pursuant to Section 7.2 of local currency obtained by acquisition by AID with U.S. Dollars shall be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in the Arab Republic of Egypt. Both terms of disbursement shall be referred to as 'Local Currency Costs'."

- g. A Project Description Addendum, attached hereto as Annex 1 to this Second Amendment, is hereby incorporated into the Agreement.
- h. The Illustrative Budget Summary for the Project in Annex I is deleted in its entirety and a new Illustrative Budget Summary, appearing as Attachment I of Annex 1 to this Second Amendment, is substituted therefor.

SECTION 2. The Second Amendment shall enter into force when signed by the representatives of the Grantee and A.I.D.

SECTION 3. Except as specifically amended hereby, the Grant Agreement, dated August 17, 1978, as amended on September 28, 1980 between the Grantee and A.I.D. shall remain in full force and effect.

IN WITNESS WHEREOF, the Grantee and A.I.D., each acting through its duly authorized representatives, have caused this Amendment to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

BY : Wagih Snindy
NAME : Wagih Snindy
TITLE: Minister of Investment Affairs
and International Cooperation

UNITED STATES OF AMERICA

BY : Nicolas Veliotos
NAME : Nicolas Veliotos
TITLE: American Ambassador

BY : Tomas Abdel Salam Zaki
NAME : Tomas Abdel Salam Zaki
TITLE: Administrator of the Department
for Economic Cooperation with
U.S.A.

BY : M.P.M. Stone
NAME : M.P.M. Stone
TITLE: Director, USAID/Cairo

Implementing Organization

In acknowledgement of the foregoing Agreement, a representative of the implementing organization has signed his name:

CAIRO UNIVERSITY

BY : Hassan Hamdi
NAME : Hassan Hamdi
TITLE: Rector, Cairo University

PROJECT DESCRIPTION
ADDENDUM

The following Project Description has been agreed upon by the Parties as necessary to describe the key elements of the implementation of the Final, "Institutional" Phase of the Project (Phase III). Nothing in this addendum shall be interpreted as modifying the description of the Project as it has been carried out in Phases I & II or as it existed prior to the execution of amendment No. 2 to the Agreement which has application to the implementation of the Project as a whole.

Phase III of Project Implementation

The Project, through the auspices of the Development Research and Technological Planning Center (DRTPC) established as an autonomous unit of Cairo University under Phase I and II, will pursue efforts to further strengthen, implement and institutionalize Egyptian capabilities to address and to solve developmental problems of Egypt. It will also support technological development in the country through applied research and technological planning.

During the Project Phase III the Participating Institution (MIT), performing its services under a direct contract with A.I.D., will cooperate with and assist the DRTPC, through the provision of consultant advisory services on technical and administrative matters, to institutionalize the procedures developed in this Project. This will in turn enable the DRTPC to become a permanent mechanism for mobilizing academic support for ministry planning efforts and for training future planners. During Phase III additional work in developing the functional organization, management procedures and operational systems will be required. An operational plan to this end has been prepared and will be implemented by the MIT and the DRTPC during Phase III of this Project.

Activity Details

The institutionalization process during Phase III will consist of two major tasks:

1. Administrative: Developing the permanent institutional framework (DRTPC) and its administrative and research support infrastructure.
2. Program: Sponsoring research and educational activities aimed at strengthening the manpower capabilities and organizational structures within the ministries and Cairo University faculties, to facilitate maximum utilization of the facilities and administrative support available through the DRTPC.

-2-

During the Institutional Phase, there will be a relatively greater emphasis on the "task 1" activities and a gradual reduction of Project support for the "task 2" activities. It is expected that funds will be obtained from a variety of other sources to maintain and hopefully expand the pace of research and manpower development activities at the Center prior to and following the termination of AID funding of the Project. A greater portion of Project funding will be directed during Phase III than were directed in Phases I and II to activities that support that objective.

Individual participants will be made aware of the new emphasis of the "Institutional Phase" and will be required to chart their own progress not only in terms of conducting relevant and productive research, but also in contributing towards the strengthening of the DRTPC to continue this work permanently at Cairo University. Specifically, they must demonstrate that they are developing both their technical skills and their marketing skills in strengthening relationships and obtaining outside funding to help support those activities that they wish to continue under the auspices of the Center. Henceforth, approval of each research activity will be based upon two principal criteria:

1. How it proposes to contribute to the development goals of Egypt via applied research and manpower development and
2. How it proposes to contribute to achievement of the technical and financial self-sufficiency goals of the Center.

During the institutional phase, MIT's involvement will continue to be modified, but there are certain key elements that are necessary for continuation of the present efforts and their new emphasis on strengthening the DRTPC. By provision of both personnel and physical resources, MIT will continue to serve as a catalyst in creating an environment conducive to productive research, encouraging Egyptian participation, and insuring continuity of Egyptian efforts. During the institutional phase the joint CU/MIT long-term research projects will gradually phase down, but the MIT commitment will remain very strong in assisting the Center to:

1. Gain independent capability to identify and select pertinent research projects based upon proven evaluation procedures,
2. Design individual research activities according to accepted scientific methodology, and
3. Manage both the technical and administrative aspects of these projects.

Given the distinction between the "administrative" and "program" elements of the institutionalization process, the program will enter into a set of activities which combine those that were successful during the prior phases with new efforts that are designed specifically to gain self-sufficiency for the Center. These activities fall into four major categories, as listed in Table 1.

TABLE 1

CU/MIT PROGRAM ACTIVITIES FOR THE "INSTITUTIONAL PHASE"

1. Administrative and Research Support Systems Development
 - * Organizational Development and Staffing
 - * Administrative Operations
 - * Research Support Systems

2. Manpower Development
 - * Postdoctoral Fellowships
 - * Doctoral Fellowships
 - * Visiting Fellows at MIT
 - * Short Courses at the DRIPC
 - * Course Development at Cairo University
 - * Mid-Career Academic Fellowships for Ministry Personnel

3. Activities that Promote an Overall Awareness of the Center
 - * Conferences, Seminars, Workshops
 - * Publications

4. Applied Research
 - * DRIPC Research
 - Proposal Preparation
 - Projects with Matching Funds
 - DRIPC-Initiated Research
 - Internships in Government Agencies and Public Sector Companies
 - * CU/MIT Collaborative Research
 - Long-Term Projects
 - Short-Term Projects

Administrative and Research Support Systems Development

Organizational Development and Staffing

One of the past obstacles to institutionalization was the separation between the MIT Liaison Office and the DRTPC. The DRTPC Director now has an organizational structure (Figure 1, ANNEX II of CU/MIT Proposal) within which all CU/MIT staff became absorbed as of July 1, 1982. The CU/MIT Program will provide strong financial support for this combined staff during the first year of the Project's Phase III. During the second year, Cairo University intends to have the DRTPC absorb 25% of these costs, and during the third year 50%.

Administrative Operation

The following organizational elements have been designated as the major administrative functions on which development efforts will focus:

- * Contract/grant management and administration
- * Financial management and accounting
- * Organizational development and personnel administration
- * Management of educational activities, such as fellowships
- * Secretarial services, office information systems, and other administrative functions.

Within the first year of Phase III, a system of allocating direct and indirect costs will be established for these various functions; it will allow the DRTPC to distribute the costs to its sponsored research and other outside funds.

Support from MIT administrative departments in the institutionalization process will be expanded in a manner that more clearly quantifies the extent and value of this assistance. Representatives from the following MIT administrative departments will be involved in devising appropriate systems for the Center, traveling to Cairo to assist in their implementation, and providing other advisory services as requested: Office of Sponsored Programs; Comptroller's Office; Libraries; Personnel; and TAP Administrative Office.

In the Computer area, an effort will be made to identify personnel at the various MIT facilities who can assist in the refinement and expansion of the DRTPC's computer operation. Significant training in computer programming will also take place through the joint CU/MIT research projects. Assistance also may be sought from other MIT centers and laboratories, such as the Center for Advanced Engineering Studies, whose expertise in managing research and educational programs will be relevant to the institutionalization effort.

Research Support Systems

As the result of a careful evaluation of the resources required for both establishment and maintenance of library and computer operations of the center during the institutional phase, the following activities are planned for Phase III:

Computer

This system will further be developed, refined and used for:

1. General Computational support for the research programs,
2. Administrative, financial, and accounting operations, and
3. A computerized search and retrieval system to reference the holdings of the DRTPC library.

Library

This DRTPC facility will be developed to include:

1. All publications of the DRTPC and working papers, theses, and journal articles related to DRTPC activities.
2. A basic reference collection of statistical information on Egypt, as well as other important reference sources on science, technology and development, and
3. Reference works pertinent to the research and education activities currently underway at the DRTPC.

Gradually the library's indirect costs will be integrated into the DRTPC's overhead structure, and these costs will be allocated to the DRTPC's projects.

Applied Research

CU/MIT Program Research

The CU/MIT program will, over the first two academic years of Phase III (1983-84 and 1984-85), engage in eight long-term research projects, and phasedown to four during the academic year 1985-86.

During the institutional phase the following specific criteria will be emphasized as bases for a selection by the Project's Executive Committee of long-term research activities:

- * Availability of CU/MIT Program funds, considering the scheduled phase-down of long-term research projects.
- * The involvement of new departments at Cairo University and new ministries.
- * Specific potential for financial contributions by ministries or other organizations.
- * Potential for the application of proven marketing skills on the part of the Cairo University principal investigators (and other team members).
- * Specific intent to promote an awareness of the DFTPC's capabilities and create an environment within the cooperating ministry for future use of these capabilities.

The Cairo University and ministry participants should view participation in the research efforts not only as a vehicle for involvement with MIT, although this will remain an important aspect of these projects. They should also see it as a means to associate themselves with the Center, through which collaboration such as that with MIT can be facilitated.

CU/MIT short-term research projects of six months duration also will be carried out in Phase III. This activity will be implemented during the academic year 1983-84, with an emphasis on utilizing the technical and marketing skills of Cairo University faculty to obtain follow-on funding for the work performed. The work plans for such projects will indicate where specific potential exists for future contributions by other sources. These projects may also be used to develop areas of technical expertise when a specific need is identified within the Center.

Two of the most important types of research that would be considered for short-term funding are prefeasibility and prototype studies. An example of the first would be a brief organizational study of a government agency, during which an overall evaluation would be made of its operations. Major problems

would be identified and specific projects and courses that the agency could then fund through the Center would be proposed. In the prototype research, a certain methodology for analysis could be tested on a small scale and, if successful, implemented on a larger basis by the DRTPC with funding from outside sources.

Research Support to the DRTPC

A new program of applied research is proposed for the institutional phase of the program, in which projects will be identified, selected, and administered primarily by the DRTPC. The DRTPC has made significant progress in obtaining funds for sponsored research from a variety of sources, but seed money from the project will enhance the DRTPC's ability to attract funding from more diverse sources and to develop new and innovative financial arrangements for its research and educational programs.

Four specific areas of research support have been identified for the DRTPC:

1. Proposal preparation. Funds will be provided to Cairo University faculty members to perform the background work necessary to write soundly conceived and well prepared proposals in response to either RFPs or letters of interest from Egyptian ministries or international organizations. Funding normally will be provided on a two or three month basis, and the level set according to the anticipated award total (not more than \$1). MIT faculty and ministry personnel not affiliated with the agency issuing the RFP may be used in an advisory capacity, if appropriate.

2. Matching funds. This would be used to provide funding for those Cairo University faculty members who have already obtained a commitment for contribution from a government agency to perform specific research. These would be modeled on the CU/MIT long-term research projects. MIT participation will depend upon the nature of the individual project.

3. DRTPC-initiated research. In areas where the Center wishes to develop a particular expertise, or where there is strong interest on the part of the Egyptian government to undertake projects on certain development topics, the Center will initiate a series of projects similar to the short-term CU/MIT research described above. The same emphasis on potential for follow-on funding will apply. Again, MIT participation will depend on the nature of the individual project.

4. Internships in government agencies and public sector companies. This program, which was originally designated as one of the Phase II "new initiative" activities, will now fall under the category of DRTPC research. Participation will expand because of the practical results expected from the first set of awards in terms of potential long-range relationships with the agencies and companies concerned.

DRTPC Manpower Development

The doctoral and postdoctoral fellowships for qualified Cairo University students and junior faculty members will continue. These fellowships are not open to individuals who are currently participating in other CU/MIT research. The primary effort within these fellowships will take place at Cairo University, although MIT resources can be made available when appropriate to support the fellow's activities. During the institutional phase there will be increased emphasis on the post-doctoral fellowships because of the potential for continuation of this research through outside funding.

Based on the success of these two programs, the DRTPC will initiate mid-career academic fellowships for ministry personnel. The selection and quality control processes at the DRTPC will be similar to those for the doctoral and postdoctoral fellowships, with the additional involvement of the ministries in nominating the candidates. The objective of this program will be to encourage participation of ministry personnel in graduate level programs that focus on development issues. Up to one month's visit may be made to MIT, for discussion of research topics with MIT faculty.

For those associated with the CU/MIT research, the research fellowships at MIT will be continued on a limited basis when it is decided that a particular student, junior faculty member, or ministry participant would benefit from an extended stay at MIT. These candidates will be jointly nominated by the MIT and Cairo University faculty principal investigators.

The project also intends to integrate the experience of prior and ongoing research within the curriculum of Cairo University via a specific course development activity. Both MIT and Cairo University faculty will present special lectures or lecture series within currently scheduled academic courses at Cairo University. Or they may assist in the development of new courses on technology development and adaptation, socio-economic analysis techniques, project evaluation and management, or other topics of relevance to the ongoing work at the Center.

Based on the previous success of short courses offered by the individual CU/MIT research projects, the DRTPC will offer a series of similar courses. Some will be concerned with general topics of interest to participants from many disciplines, such as sector level planning, computer modeling, and cost/benefit analysis, while others will concentrate on analysis of specific issues of current concern to the organizations involved. Some funds may also be used for the purchase of packaged courses which have been developed at MIT and elsewhere.

Activities that Promote an Overall Awareness of the Center (Conferences, Seminars, Workshops)

The CU/MIT Project will continue its series of conferences, workshops and seminars related to the research currently underway. By so doing, all participants have the opportunity to present the results of their research efforts to their peers and to those personnel working in the field, primarily ministry personnel, who may not be aware of the state-of-the-art of the research being conducted at the DFTPC. There is often significant international participation in these activities by representatives from major U.S. and foreign universities and international organizations. Such participation provides an even wider forum for communicating important technical findings and policy directions.

In addition to the annual Joint Program Conference involving all research projects of the DFTPC, the Project expects to hold one major conference per year on the research of a specific project or group of related projects. Seminars and workshops will also be held when a smaller size or a more informal atmosphere is appropriate.

Publications

The Technology Adaptation Program at MIT and the DFTPC have both initiated a series of technical reports as the primary mechanism for disseminating the results of the research. Some funds will be made available to the DFTPC during the institutional phase for a series of publications, including reports, brochures, and newsletters which will publicize its capabilities and the results of its activities.

Feasibility Issues: Schedule for DFTPC Self-Sufficiency and Indicators of Progress

The indicators of progress towards institutionalization have been divided between those associated with the development of the DFTPC organization (administrative) and those associated with the DFTPC's research and educational activities (program).

Administrative Indicators

- * Development of an organizational structure with the following major functional areas: administration, personnel, and legal services; public relations services; accounting and financial services; reports and publication services; library services; and computer services.
- * Clear delineation of responsibility and effective delegation of authority.
- * Establishment of and adherence to written administrative plans, policies and manuals. Evidence of internal review and revision on a periodic basis to provide maximum efficiency and responsiveness.

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- * Evidence of effective recruitment, compensation and performance review procedures for administrative personnel.

Program Indicators

Relevance of Research and Educational Activities

- * Ministry incorporation of results and innovative research methodologies.
- * Willingness to provide follow-on funding.
- * Willingness to build on expertise, either through new areas of research or by expanding the base of personnel or technical specialities within a ministry.
- * Establishment of regular and on-going training programs, both in terms of fellowships and short courses. Eagerness to participate and quality of final results.
- * Perception of the DRTPC as an organization of excellence. Prestige conferred upon participants.
- * Continuity of support by Cairo University and Government of Egypt through administrative and political changes.
- * Evidence that a variety of institutional ties have been established, with an emphasis on quality and concrete results.

Attitude Change

- * Expanded base of involvement at Cairo University, new faculty members and new departments.
- * Continued utilization of new skills.
- * Increased base of involvement with the ministries.
- * Willingness on the part of Cairo University to take the initiative in proposing, designing, and implementing new activities.
- * Institutional changes made at Cairo University and ministries, following the example of the Center.

Effectiveness of the DRIFC's Research and Educational Operations

- * Environment created which is conducive to research.
- * Establishment and proven effectiveness of quality control procedures in activity selection and operation.
- * Quality of activities for which outside funding is obtained.
- * Implementation of an efficient and responsive administrative infrastructure.

Financial Self-Sufficiency

- * Marketing plan developed and operational.
- * Evidence of different methods of identifying and successfully soliciting financial support.
- * Diversity and magnitude of funding: source, type and length.
- * Five major sources expected:
 1. Grants from Egyptian government organizations for general training and administrative activities.
 2. Grants from Egyptian government organizations for research and technical assistance programs.
 3. Direct research contracts with Egyptian institutions.
 4. Direct research contracts with foreign institutions.
 5. Grants or endowments from international organizations.

The project will review progress of the DRIFC in terms of these indicators on an annual basis, and at that time set specific objectives for the coming year. Following are some of the specific objectives established for the first year of Phase III:

- * Expand participation by MIT and Cairo University administrative departments in the institutionalization process.
- * Establish internal progress reporting systems for the Center.

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- * Diversify sources of funding for Center research.
- * Implement second phase of manpower development activities including short courses at the Center.
- * Continue development of library and computer facilities.
- * Develop an overhead system to allocate direct and indirect costs.
- * Require greater contribution by ministries to CU/MIT research projects.

The institutional phase will include formative, consolidation, and operational sub-phases. Table 2 outlines the general objectives, the expected use of AID funds, and the MIT role for each phase. It also shows how they will be modified throughout this time period to promote self-sufficiency for the DRIPC.

TIMETABLE FOR DRTPC SELF-SUFFICIENCY

<u>Phase</u>	<u>DRTPC Administrative and Program Objectives</u>	<u>Use of AID Funds</u>	<u>MIT Role</u>
Organizing Phase September 1978 - June 1982	<ul style="list-style-type: none"> - Center established in March 1979 - First organizational structure implemented - First projects obtained and administered - Evaluation and reorganization undertaken, March 1981-June 1982 - Organization plan completed 	<ul style="list-style-type: none"> - CU/MIT long term projects and manpower development activities - Support for Center's staff and direct expenses 	<ul style="list-style-type: none"> - Collaboration in long term research and manpower development activities - Advisory role in administrative development
<u>INSTITUTIONAL PHASE</u>			
Formative Sub-phase July 1982-June 1984	<ul style="list-style-type: none"> - New organization implemented - Expansion into new areas of sponsored research, both in terms of topics investigated and sources of funding - Center overhead system developed 	<ul style="list-style-type: none"> - Continuation of the above, with greater emphasis on institutionalization - New funds provided for DRTPC initiated research - Further support for DRTPC administrative and research support systems development 	<ul style="list-style-type: none"> - Collaboration in long term research and manpower development activities - Increasing assistance for administrative and research support systems development
Consolidation Sub-phase July 1984-June 1985	<ul style="list-style-type: none"> - Overhead system implemented - 25% of costs previously covered by AID contract for DRTPC administration now covered by Center's projects. Marketing effort expended to attract endowments for continuation of manpower development activities 	<ul style="list-style-type: none"> - Continued strong support for DRTPC initiated research and administrative development - Support for long term CU/MIT research gradually declines 	<ul style="list-style-type: none"> - Reduced participation in joint research - Major assistance in administrative and research support systems development
Operational Sub-phase July 1985-June 1986	<ul style="list-style-type: none"> - 50-100% of costs previously covered by AID contract for DRTPC administration now covered by Center's projects - Balanced set of research and educational activities fully funded by outside sources 	<ul style="list-style-type: none"> - Support for DRTPC initiated research specifically focuses on activities to generate further funding - Support for CU/MIT long term projects continues to decrease 	<ul style="list-style-type: none"> - Phase out MIT's involvement in joint research - Direct support reduced to contractual reporting and contract closing activities during last six months

Organizational and Administrative Plan

At Cairo University, the program is administered under the auspices of the Development Research and Technological Planning Center (DRTPC), under the general direction of the Office of the President. At MIT, it is administered within the Technology Adaptation Program (TAP), in the Office of the Provost. Appropriate faculty committees have been established at both MIT and Cairo University to formulate general policies for development and implementation of Program activities, to approve specific research projects and fellowships and their budgets, and to monitor the results of research and institutionalization efforts. Program offices have been established at both MIT and the DRTPC to handle the day-to-day administration of Program activities.

Presently existing institutional and administrative agreements between MIT and Cairo University (see Appendix I, Annex II A) will substantially remain in effect during the Phase III of the Project, except for Clause IV of the Administrative Agreement. Clause IV will be modified to reflect the new procedure for the reimbursement of DRTPC indirect cost, which is described below. All agreements should reflect the main goal of Phase III; i.e., the institutionalization of the DRTPC.

Financial Control and Administrative Procedures

In accordance with A.R.E. Presidential Decree No. 48 for the year 1962, the DRTPC began administering the Egyptian pound expenditures of the Program effective July 1, 1962. The program reimburses the DRTPC from AID funds available to MIT in Egypt for all expenditures which are in conformity with the provisions of the AID/MIT contract. Funds are made available to MIT in accordance with USAID/Cairo's standard procedures.

For the first year of Phase III, the Program will reimburse the DRTPC for its indirect costs in support of the Program at the rate of 32% of the total direct costs billed by the DRTPC to the Program each month. The total indirect cost reimbursement for this first year is however limited to a maximum amount of LE449,000.

During the first year of Phase III a forecast of the DRTPC's indirect costs for the second year of Phase III will be prepared, consisting of: (1) a percentage of the Center's administrative costs previously paid directly by the CU/MIT Program (including a rate negotiated between the DRTPC and Cairo University for the indirect cost items provided by Cairo University to the DRTPC); and (2) other indirect expenses projected to be incurred by the DRTPC. An overhead base will also be estimated consisting of the total direct costs of sponsored research projected for the period.

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An indirect cost rate for the DRIPC's 1985 and 1986 fiscal years (beginning July 1 of each year) will be negotiated between USAID/Cairo and the DRIPC prior to the start of each fiscal year. The first negotiated rate will be applied for only one half year (January 1, 1985 to June 30, 1985). Payment of this negotiated rate will be made by the Project to the DRIPC on a monthly basis.

The budget prepared for the final institutional phase (Attachment I) combines funds remaining in USAID Contract 263-0061-C-00--1001-00 as of July 1, 1983, and a new allocation to be made under a contract amendment between USAID and MIT. The MIT contract amendment will provide continued services of MIT, on a diminishing scale through March 31, 1987. The June 1985 evaluation will serve as the basis for reviewing the relationship between the likely achievement of Project objectives and the budget requirements of the Project, over the remaining period of the Project; i.e., July 1985 through March 1987.

Reporting

The Contractor will submit annual progress reports for all aspects of Project activities. These reports will be prepared in conjunction with the DRTPC, and form a base for decisions on modification, discontinuation, or extension of project activities, and will include:

- * Status of project activities with respect to:
 - a. Coordination with ministries, agencies, joint working groups and international organizations.
 - b. Development and application of Cairo University/MIT analysis/assessment capability applied to actual and planned projects.
 - c. Degree of intergovernmental and public acceptance of the Development Research and Technological Planning Center as a planning, analysis, and educational resource.

- * Status of the Development Research and Technological Planning Center's activities and its progress towards self-sufficiency with respect to:
 - a. The management organization of the DRTPC.
 - b. The DRTPC's research and educational plan.
 - c. Potential and actual sources of outside funding for the DRTPC.

The DRTPC will provide directly to USAID/Cairo annually a strategic plan and annual report in accordance with the schedule described in Table 3 of this Agreement. The strategic plan for the initial year of Phase III forms a part of the amended Project Paper.

The Contractor will deliver to the Director, USAID/Cairo ten copies of all final project documents as they are published, and two copies of all other reports including conferences, seminars, and interim project reports as they are prepared.

It is the general intent that the results of the applied research studies will be broadly available. However, it is recognized that in a few instances the utility of the study or the establishment of the desired relationship with an individual ministry would be adversely affected by wide access to the inputs and/or the results. In those instances restricted access will be appropriate.

Evaluation:

A.I.D., the Contractor, and CU/DRTPC will follow reporting/assessment guidelines set forth in Table 3 and in the specific evaluation plan set forth in the Strategic Plan in carrying out the in-depth evaluations of the Project. The evaluations will focus on the program in the Section 5.1 of the 1978 Project Agreement and the following:

a. The progress toward developing and implementing the research, technical assistance and training programs of the DRTPC;

b. The level of Grantee outside financial support for the DRTPC and the DRTPC's plans for obtaining financial independence from A.I.D. by the end of the Project;

c. The implementation by the DRTPC of training programs for the Grantee's participants and for ministries' personnel to provide ministries with the capability to utilize successfully the DRTPC after Project termination;

d. The progress toward developing an Egyptian capability to translate developmental problems into researchable issues and to manage such problem-solving research; and,

e. The contribution specific sub-project studies are making to Project objectives (the technical aspects of the activities themselves will not be evaluated).

The first evaluation will be conducted before the end of June 1985. The report of this evaluation should be submitted to parties to the Project no later than 30 June 1985. AID, as part of its regular portfolio review process with the MIIC, will, after the evaluation, review the need for realignment or reduction of project funding in the light of progress made under the Project. Particular attention will be paid to the fiscal viability of the DRTPC. An end-of-Project evaluation will be conducted within 6 months of the FACD (i.e., on or before September 30, 1986). All parties to the evaluations (CU/DRTPC, AID and the contractor) agree to discuss and reach a mutually satisfactory plan of action on the evaluation's recommendations.

TABLE 3

DRTPC AND CU/MIT TECHNOLOGICAL PLANNING PROGRAM.
REPORTING SCHEDULE

	<u>PRINCIPAL RESPONSIBILITY AND PARTICIPANTS</u>	<u>R3/R4</u>	<u>84/85</u>	<u>85/86</u>	
<u>DRPC Annual Review and Strategic Plan</u> Review of strategies, objectives and financial status.	<u>DRTPC, with advice from MIT.</u> Results reviewed by USAID	Annual - at time of CU/MIT funding decisions (April-May of each year)	x	x	continues into future
<u>DRTPC Marketing Strategy Plan</u> Progress and strategy towards self-sufficiency	<u>DRTPC, with MIT</u>	Within 6 months of extension, then becomes part of annual review and strategic plan, above.			
<u>Survey of Potential CU Faculty</u> In high priority sectors	<u>DRTPC</u>	Within 6 months of extension			
<u>DRTPC Annual Report</u> Reports progress in research, organi- zation, and manpower development, also a section (for limited distribution) on financial status	<u>DRTPC</u>	Annual - Shortly after DRTPC fiscal year ends (August-September)	x	x	continues into future
<u>MIT Progress Reports to USAID</u> Includes progress reports from CU/MIT projects, summary of DRTPC reports	<u>MIT, with DRTPC</u>	Annual	x	x	final

Illustrative Budget Summary

Attachments I-A through I-C that follow set forth the agreed upon budget for the Project. Attachments I-B and I-C specify the anticipated expenditures of the Grantee and of AID for the final phase of the Project, the Institutional Phase III. Elements of the illustrative budgets set forth in Attachments I-A through I-C may be changed by written agreement by the representatives of the parties named in the text of the Agreement without formal amendment of the Grant Agreement provided that such changes do not cause the Grantee's contribution to be less than or AID's contribution to be greater than the sums set forth in Section 3 of the Grant Agreement, as amended. Results of the Project Evaluation to be performed in June of 1985 may result in a realignment or reduction in the level of the disbursements anticipated for the final two years of the project.

ATTACHMENT I-A
ILLUSTRATIVE LCP BUDGET (U.S. GOVT. CONTRIBUTION)
(000's)

ITEMS	Phase I		Phase II		Phase III		Total	
	\$	LE	\$	LE	\$	LE	\$	LE
1. DRIPC Research	380	535	450	701.3	414	650	1244	1886.3
2. Manpower Development	342	256.8	405	336.6	485	387	1232	980.4
3. Research support system	380	342.4	450	448.8	501	489	1331	1280.2
4. CU/MIT Research	1596	535	1890	701.3	1917	721	5403	1957.3
5. Administration	798	428	945	561	1091	651	2834	1640
6. DRIPC Administration Support	304	42.8	360	56	467	74	1131	172.8
7. Dissemination of Results					20	40	20	40
8. DRIPC Indirect costs		160		930		983		2073
9. MIT Phase out					236	55	236	55
TOTAL	3,800	2,300	4,500	3735 ¹	5131	4050 ¹	13,431	10,085 ²

(1) Conversion rate .8316

(2) Out of LE 10,085, LE 2,300 were provided in pounds. The balance of LE 7785 was bought with \$9361.

ATTACHMENT I-B

PHASE III
G.O.E. IN-KIND CONTRIBUTION
(ESTIMATED)
(\$000s)¹

	\$(000's) ¹	
1. Ministries' contribution	900	
2. Cairo University contribution	<u>1430</u>	
Total	2,330	
Contributions are expected to include:		
A. Unrestricted grants	100	900
B. Use of special Ministry & university Facilities (i.e., laboratories, research institutes, etc.)	300	300
C. Use of Ministry Manpower	50	230
D. Contributions of data, consultant reports and other services	200	--
E. Field tests (i.e., test roads water channels, solar pond sites, etc.)	<u>250</u>	<u>--</u>
	900	1430

1. Actual contributions will be in equivalent LEs

ATTACHMENT I-C

Illustrative Phase III Project Summary (U.S. Contribution)

CU/MIT TECHNOLOGICAL PLANNING PROGRAM

Budget Summary for the Period July 1983/December 1986

(\$000/LE000)

	7/83-6/84		7/84-6/85		7/85-6/86		7/86-12/86	
	\$	LE	\$	LE	\$	LE	\$	LE
A. DRTPC Research								
1. Proposal Preparation	18	35	18	35	9	18		
2. Matching Funds *	158	178	79	141	-	-		
3. DRTPC-Initiated *	86	97	44	77	-	-		
4. Ministry Internships	-	23	-	23	-	23		
Subtotal	264	333	141	276	9	41		
B. MANPOWER DEVELOPMENT								
1. Postdoc. Fellows	20	69	20	69	13	35		
2. Doc. Fellows	-	18	-	18	-	11		
3. Research Fellows/MIT	38	-	38	-	19	-		
4. Short Courses	109	43	109	43	82	33		
5. Fellowships at CU	15	19	15	19	7	10		
Subtotal	182	149	182	149	121	89		
C. RESEARCH SUPPORT SYSTEMS								
1. Computer	190	230	106	98	73	65		
2. Library	56	45	38	33	38	33		
Subtotal	246	275	144	131	111	98		
D. CU/MIT RESEARCH								
1. Long-Term *	764	281	764	281	191	80		
2. Short-Term*	118	48	79	32	-	-		
Subtotal	882	329	843	313	191	80		
E. ADMINISTRATION								
1. DRTPC Staff	-	119	-	103	-	82		
2. DRTPC Expenses	31	125	26	96	20	67		
3. MIT Staff	223	-	192	-	138	-		
4. MIT Expenses	78	-	62	-	62	-		
5. Administrative Travel	109	23	87	18	87	18		
Subtotal	441	267	367	217	307	167		
F. DRTPC ADMIN. SUPPORT								
1. MIT Resident	116	24	114	14	122	14		
2. Other MIT Support	46	10	33	6	36	6		
Subtotal	162	34	147	20	158	20		
G. DISSEM. OF RESULTS	12	20	7	10	7	10		
H. DRTPC INDIRECT COSTS *	-	450	-	357	-	161	-	20
I. MIT PHASEOUT							239	62
TOTAL	\$2189	LE1857	\$1831	LE1473	\$904	LE666	\$239	LE82

Total US\$ \$5,163

Total US\$ for LE \$4,903 (LE4,079 X 1.2024)

TOTAL BUDGET \$10,066

-3,066 funds remaining as of 7/1/83

TOTAL NEW FUNDS \$7,000

ANNEX XI

Environmental Determination
by USAID/C

Concurrence Cable from AID/W

UNCLASSIFIED
AXD 12/13/83
DIR:HEWSTONE
HRDC/ET:WCHARLESOM:MG
DRPS/UAD:WMCALLEN
AID-6 AND EGM, ICA ECON CHRON

AMEMBASSY CAIRO
SECSTATE WASHDC

AIDAC

E.O. 12056:N/A
SUBJECT: AID/W CONCURRENCE IN USAID/CAIRO ENVIRONMENTAL
DETERMINATION.

1. FOR STEPHEN F. LINDNER, NE/PD/PDS.
2. USAID IS PROCEEDING TO AMEND THE DEVELOPMENT PLANNING STUDIES PROJECT 263-0041 BY EXTENDING PROJECT ACTIVITIES FOR THREE YEARS AND ADDING AN ADDITIONAL \$7 MILLION.
3. THE PURPOSE OF THE PROJECT REMAINS THE SAME: I.E., "CREATE A PERMANENT INSTITUTIONAL FRAMEWORK THROUGH WHICH EGYPTIAN APPLIED RESEARCH AND TRAINING CAPABILITIES CAN BE ORGANIZED SO AS TO STRENGTHEN THE CAPACITY OF GOV. MINISTRIES TO CARRY OUT DEVELOPMENT PROGRAM AND PROJECT PLANNING ACTIVITIES." INPUTS TO THE PROJECT REMAIN THE SAME TYPE; I.E., TECHNICAL ASSISTANCE, COMMODITIES USED IN CONJUNCTION WITH RESEARCH AND TRAINING ACTIVITIES, AND TRAINING.
4. MISSION ENVIRONMENTAL OFFICER HAS REVIEWED THE SUBJECT AMENDMENT AND DETERMINED THAT, IN ACCORDANCE WITH 22 CFR PART 216, SECTION 216.2 (C) (3) (I), THE PROJECT CONSTITUTES AN EDUCATION TECHNICAL ASSISTANCE AND TRAINING PROGRAM WHICH DOES NOT INCLUDE ACTIVITIES DIRECTLY AFFECTING THE ENVIRONMENT AND IS, THEREFORE, EXEMPTED FROM THE ENVIRONMENTAL PROCEDURES SET FORTH IN 22 CFR PART 216. THE MISSION RECOMMENDS A NEGATIVE DETERMINATION.
5. PLEASE PROVIDE CONCURRENCE SO THAT AMENDMENT PROCESS CAN BE COMPLETED. VELIOTES##

ANNEX XII

Project Log Frame

Development Planning Studies, Phases I, II, and III
Objective

A. Narrative Summary	B. Verifiable Indicators	C. Means of Verification	D. Important Assumptions
<p><u>Goal:</u></p> <p>Improve the composition & implementation of the Egyptian development program.</p>	<p><u>Measures of Goal Achievement:</u></p> <p>Improved rates of economic & social development. Higher levels of economic & social benefits per unit of resources allocated.</p>	<p>National accounts. Household consumption & income surveys. Results of project evaluations.</p>	<p>No major economic or political crises arise which would make conditions for growth less favorable than at present.</p>
<p><u>Project Purpose:</u></p> <p>Create a permanent institutional framework through which Egyptian applied research & training capabilities can be organized so as to strengthen the capacity of GOE ministries to carry out development program & project planning activities.</p> <p><u>Purpose of PP Amendment Two:</u></p> <p>Provide sharper focus on end-of-project conditions.</p>	<p><u>End of Project Status:</u></p> <ol style="list-style-type: none"> 1. A permanent Development Research and Technological Planning Center established with sources of funding adequate to support its programs. 2. Egyptian development programs & projects increasingly based on adequate technical, economic & social analysis. Magnitude of the development program & the number of projects included in it increasingly based on a meaningful assessment of available resources & efficient project implementation requirements. 3. Institutionalization of Egypt's applied research and training capabilities. 	<ol style="list-style-type: none"> 1. Review of administrative structure & financial documents of the Institute. 2. Comparison to baseline assessments taken with respect to sector, program & project analyses. Reduced reliance on foreign consultants in carrying out program & project development activities. 3. Phase-out of the contractor's AID-financed services. 4. Reports prepared by the University of Cairo and EIT. 	<ol style="list-style-type: none"> 1. That interministerial support for the Center continue. 2. Development objectives of individual ministries consistent with & supportive of national development goals. Ministerial personnel motivated to strengthen their ability to develop technically, economically & socially sound development projects & programs. University personnel motivated to directly participate in applied research & training activities relevant to government ministries.

... Studies, ... II and III

...
Objectively

A. Narrative Summary	B. Verifiable Indicators	C. Means of Verification	D. Important Assumptions
<p><u>Outputs:</u></p> <p>1. Organization of technical research & training assistance to Egyptian government ministries.</p> <p>2. Mobilization of Egyptian academic interest & participation in applied research on specific economic problems.</p>	<p><u>Magnitude of Outputs:</u></p> <p>1. Number of research activities & training programs completed & underway with several Egyptian ministries.</p> <p>2. Number of Egyptian faculty members involved in applied research & training programs with economic & social development objectives.</p>	<p>1. Count of program & project research & training activities.</p> <p>2. Count of faculty members involved in applied research & training activities for government ministries.</p>	<p>That objective criterion prevail in the choice of project activities.</p>
<p><u>Inputs:</u></p> <p><u>Manpower:</u> Major contribution of staff, logistic support & leadership.</p> <p><u>Massachusetts Institute of Technology:</u> Administrative direction, technical & institutional support.</p> <p><u>AID:</u> Major funding & institutional support.</p>	<p>See budgets & implementation plans of the Project Paper, Amendment TWO.</p>	<p>Project accounts. Specialists reports. Annual reports. Accounting records (final)</p>	

ANNEX XIII

Congressional Notification

UNCLASSIFIED
AID 11/22/83
HRDC/ET:AYWILBURN
HRDC/ET:WCHARLESON:MG
1.DPPE:IPETERS (DRAFT), 2.LEG:DPRESSLEY (DRAFT)
AID-6 AMB DCM, ECON ICA CHRON

Cable No. 34815

AMEMBASSY CAIRO
SECSTATE WASHDC

AIDAC

E.O. 12356: N/A
SUBJECT: DEVELOPMENT PLANNING STUDIES PROJECT 263-0061 -
CONGRESSIONAL NOTIFICATION.

1. ADVICE OF PROGRAM CHANGE

COUNTRY: EGYPT

PROJECT TITLE: DEVELOPMENT PLANNING STUDIES

PROJECT NUMBER: 263-0061

FY 1984 CP REFERENCE: NONE

APPROPRIATION CATEGORY: ECONOMIC SUPPORT FUND

LIFE OF PROJECT FUNDING: DOLS 22,800,000

INTENDED FY 84 OBLIGATION: DOLS 7,000,000 (GRANT)

THIS IS TO ADVISE THAT AID INTENDS TO OBLIGATE DOLS 7
MILLION IN FY 1984 GRANT FUNDS FOR THE DEVELOPMENT
PLANNING STUDIES PROJECT.

IN FY 1978 AND FY 1980, AID PROVIDED DOLS 3.8 MILLION
AND DOLS 12 MILLION, RESPECTIVELY, TO ESTABLISH A
PERMANENT INSTITUTIONAL FRAMEWORK (LOCATED IN AN EGYPTIAN
UNIVERSITY) THROUGH WHICH EGYPTIAN APPLIED RESEARCH AND
TRAINING CAPABILITIES WOULD BE ORGANIZED SO AS TO
STRENGTHEN THE CAPACITY OF GOVERNMENT OF EGYPT MINISTRIES
TO CARRY OUT DEVELOPMENT PROGRAMS AND PROJECT PLANNING
ACTIVITIES. THE DOLS 7 MILLION OF ADDITIONAL FUNDING FOR
THE THIRD AND FINAL PHASE OF THE PROJECT IS REQUIRED TO
PROVIDE THE CONTINUING SERVICES OF A U.S. ACADEMIC
CONTRACTOR WHO, IN TURN, WILL PROVIDE TECHNICAL

WP

UNCLASSIFIED

ASSISTANCE, TRAINING, COURSE DEVELOPMENT AND INSTRUCTIONAL MATERIALS.

2. PROGRAM SUMMARY STATEMENT

INITIAL OBLIGATION: FY 1978

ESTIMATED FINAL OBLIGATION: FY 1984

ESTIMATED COMPLETION DATE: FY 1987

PURPOSE: TO ASSIST THE GOVERNMENT OF EGYPT IN CREATING A PERMANENT INSTITUTIONAL FRAMEWORK THROUGH WHICH EGYPTIAN APPLIED RESEARCH AND TRAINING CAPABILITIES WILL BE ORGANIZED TO STRENGTHEN THE CAPACITY OF GOVERNMENT OF EGYPT MINISTRIES TO CARRY OUT DEVELOPMENT PROGRAMS AND PROJECT PLANNING ACTIVITIES.

BACKGROUND: EGYPT'S DEVELOPMENT EFFORTS ARE SERIOUSLY CONSTRAINED BY THE GOVERNMENT'S CAPACITY TO PLAN, EXECUTE AND MANAGE DEVELOPMENT PROGRAMS. VIRTUALLY EVERY SECTOR OF THE ECONOMY IS AFFECTED BY THIS WEAKNESS. A PILOT PROGRAM INVOLVING THE MASSACHUSETTS INSTITUTE OF TECHNOLOGY AND CAIRO UNIVERSITY DEMONSTRATED THE FEASIBILITY OF DEVELOPING AN INSTITUTIONAL CAPABILITY AT CAIRO UNIVERSITY TO STRENGTHEN THE PLANNING AND PROJECT IMPLEMENTATION CAPABILITIES OF PARTICIPATING MINISTRIES. TO DATE 120 APPLIED RESEARCH STUDIES HAVE BEEN COMPLETED IN SUCH AREAS AS WATER RESOURCES, URBAN AND HIGHWAY TRANSPORTATION PLANNING, HOUSING AND CONSTRUCTION, ENERGY, SMALL-SCALE INDUSTRIAL DEVELOPMENT. MANY OF THE STUDIES HAVE RESULTED IN SIGNIFICANT GOVERNMENT OF EGYPT ACTION DECISIONS: E.G., IBRD LOANS FOR ELECTRIC POWER, HIGHWAY CONSTRUCTION, CONTROL OF THE NILE RIVER FLOWS. THE DEVELOPMENT RESEARCH AND TECHNICAL PLANNING CENTER (DRTPC) HAS BEEN ESTABLISHED UNDER THE AEGIS OF CAIRO UNIVERSITY. WORKING WITH THE CONTRACTOR, THE DRTPC HAS: ESTABLISHED FLEDGLING BUT EFFECTIVE WORKING RELATIONS WITH ELEVEN GOVERNMENT OF EGYPT MINISTRIES/AGENCIES; TRAINED 135 INDIVIDUALS FROM GOVERNMENT ORGANIZATIONS AND 104 INDIVIDUALS FROM THE UNIVERSITY COMMUNITY; ESTABLISHED A COMPUTER CENTER AND LIBRARY TO SUPPORT RESEARCH AND TRAINING; INCREASED THE AMOUNT OF NON-AID FUNDED RESEARCH; AND CREATED THE ORGANIZATION'S PERSONNEL, ACCOUNTING AND TRAINING POLICIES AND PROCEDURES. THE JUNE 1980 AND DECEMBER 1982 EVALUATIONS ATTESTED THAT CONSIDERABLE, DESIRABLE PROGRESS HAD BEEN MADE IN ACHIEVING THE PROJECT

PURPOSE, BUT THAT AN ADDITIONAL THREE YEAR PERIOD AND DOLS 7 MILLION WOULD BE REQUIRED TO BRING THE PROJECT TO INSTITUTIONALIZED FRUITION: I.E., A FISCALLY VIABLE, SELF SUSTAINING, LOCAL, APPLIED RESEARCH AND DEVELOPMENT CENTER.

PROJECT DESCRIPTION: THIS PROJECT WILL ESTABLISH A PERMANENT INSTITUTION IN ASSOCIATION WITH CAIRO UNIVERSITY WHICH WILL MOBILIZE EGYPTIAN ACADEMIC RESOURCES FOR APPLIED RESEARCH AND INSTRUCTION ON SPECIFIC DEVELOPMENT PROBLEMS AND WILL PROVIDE ASSISTANCE TO GOVERNMENT TECHNICAL AND PLANNING MINISTRIES ON THE DESIGN AND IMPLEMENTATION OF SPECIFIC DEVELOPMENT ACTIVITIES.

THE FY 1984 GRANT FUNDS ACTIVITIES RECOMMENDED BY THE DECEMBER 1982 PROJECT EVALUATION. IT RECOMMENDED THAT APPLIED RESEARCH ACTIVITIES IN SELECTED DEVELOPMENT AREAS CONTINUE WITH AID SUPPORTING AN EVER DECREASING PORTION OF THE COSTS AND OTHER SOURCES, PRIMARILY GOVERNMENT OF EGYPT MINISTRIES, SUPPORTING AN OFF-SETTING INCREASING AMOUNT. THE PARTICIPATION OF THE PRIVATE SECTOR WILL BE MORE ACTIVELY PURSUED. EMPHASIS DURING THE FINAL THREE YEARS OF PROJECT ACTIVITY WILL BE ON ACHIEVING FULL INSTITUTIONALIZED RESEARCH AND TRAINING CAPACITY, WITH PARTICULAR ATTENTION BEING PAID TO ACHIEVING FISCAL VIABILITY BY THE END OF THE PROJECT.

RELATION TO AID COUNTRY STRATEGY: THE GOVERNMENT OF EGYPT'S FIVE YEAR DEVELOPMENT PLAN (1983-7) PLACES HIGH PRIORITY UPON IMPROVING THE SCIENTIFIC AND TECHNOLOGICAL CAPACITY OF EGYPTIAN PEOPLE AND ORGANIZATIONS IN ORDER TO OVERCOME CONSTRAINTS TO SOCIAL AND ECONOMIC DEVELOPMENT. THE DEVELOPMENT PLANNING STUDIES PROJECT IS ONE OF THE MISSIONS'S KEY PROJECTS FOR DEVELOPING WITHIN EGYPT THE LOCALIZED CAPACITY TO UTILIZE AND/OR ADAPT APPROPRIATE SCIENTIFIC AND TECHNOLOGICAL SOLUTIONS TO ITS DEVELOPMENT PROBLEMS.

HOST COUNTRY AND OTHER DONORS: THE GOVERNMENT OF EGYPT PROVIDES LOCAL COST SUPPORT TO THE PROJECT THROUGH BUDGET INPUTS TO CAIRO UNIVERSITY AND MINISTRY INPUTS TO INDIVIDUAL RESEARCH AND INSTRUCTION ACTIVITIES. THE TOTAL GOVERNMENT OF EGYPT SUPPORT FOR THE PROJECT TO DATE IS APPROXIMATELY LE 4.535 MILLION. GOVERNMENT SUPPORT FOR THE PROPOSED FINAL PHASE IS ESTIMATED TO COME TO LE 2.33 MILLION.

BENEFICIARIES: AN ESTIMATED 550 MINISTRY AND UNIVERSITY PERSONNEL WILL ACQUIRE (LOP) TECHNIQUES AND SKILLS TO CARRY OUT RESEARCH DEVELOPMENT AND PLANNING ACTIVITIES. THERE IS CLEAR EVIDENCE THAT THE RESEARCH APPLICATIONS BENEFIT THE GENERAL POPULATION OF EGYPT.

MAJOR INPUTS	ALL YEARS
1. DEVELOPMENT RESEARCH AND TECHNICAL - PLANNING CENTER ESTABLISHED	1
2. APPLIED RESEARCH STUDIES COMPLETED	240
3. PERSONNEL TRAINED:	
- A. UNIVERSITY PERSONNEL	220
- B. MINISTRY PERSONNEL	330

AID FINANCED INPUTS	(DOLS THOUSANDS)
1. TECHNICAL ASSISTANCE	13,700
2. TRAINING	5,400
3. COMMODITIES	1,150
4. OTHER COSTS (ADMINISTRATIVE - SUPPORT, REPORTS, CONFERENCES, - COMPUTER COSTS)	2,550
TOTAL	22,800

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ACTION: AID-6 INFO: AMB DCM ECON USIS FAS /11

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CC RUEHFC
TR RUEHC #8749 3422003
ZNR UUUUU 7ZH
O 092723Z DEC 83
FM STATE WASHDC
TO AMEMBASSY CAIRO IMMEDIATE 9854
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IOC: 24
09 DEC 83
CN: 09577
CHRG: AID
TIST: AID

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F.C. 12356 N/A
TAGS:

SUBJECT: DEVELOPMENT PLANNING STUDIES PROJECT (200-7261),
CONGRESSIONAL NOTIFICATION

REF: CAIRO 34915

SUBJECT CN WAS SENT TO THE HILL ON DECEMBER 6, 1983.
COPIES OF CN BEING POUNDED.

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FROM TO	<i>HKDC</i>	<i>DPD</i>
ACTION TAKEN		DATE <i>12/12</i>
HAZ		INITIALS

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