R. Ashton
PPC/DIU/DI

UNCLASSIFIED

INTERNATIONAL DEVELOPMENT

COOPERATION AGENCY

AGENCY FOR INTERNATIONAL DEVELOPMENT

Washington, D.C. 20523

PROJECT PAPER

EGYPT: Development Training
263-0125

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July 1985

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AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE: A (A = Add, C = Change, D = Delete)

Amendment Number

DOCUMENT CODE: 3

COUNTRY/ENTITY: EGYPT

3. PROJECT NUMBER: 263-0125

4. BUREAU/OFFICE: Asia/Near East

5. PROJECT TITLE (maximum 40 characters): Development Training

6. PROJECT ASSISTANCE COMPLETION DATE (PACD): MM 10 DD 31 YY 91

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

A. Initial FY 85 B. Quarter 1 C. Final FY 91

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

A. FUNDING SOURCE	FIRST FY B. FX	C. L/C	D. Total	LIFE OF PROJECT E. FX	F. L/C	G. Total
AID Appropriated Total	3,135	865	4,000	89,159	19,841	109,000
(Grant)	(3,135)	(865)	(4,000)	(89,159)	(19,841)	(109,000)
(Loan)	( )	( )	( )	( )	( )	( )
Other U.S. 1.						
Other U.S. 2.						
Host Country		293	293		16,001	16,001
Other Donor(s)						
TOTALS	3,135	1,158	4,293	89,159	35,842	125,001

9. SCHEDULE OF AID FUNDING ($000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE 1. Grant	2. Loan	D. OBLIGATIONS TO DATE 1. Grant	2. Loan	E. AMOUNT APPROVED THIS ACTION 1. Grant	2. Loan	F. LIFE OF PROJECT 1. Grant	2. Loan
(1) ESF	600	690				109,000		109,000	
(2)									
(3)									
(4)									
TOTALS						109,000		109,000	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each): 710, 720

11. SECONDARY PURPOSE CODE: 660

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

A. Code

B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To design and implement a better organized and more efficient Egyptian training program and to train Egyptians in the U.S. and Egypt.

14. SCHEDULED EVALUATIONS: several - see PP

Interim MM YY MM YY Final MM YY

15. SOURCE/ORIGIN OF GOODS AND SERVICES: ☐ 000 ☒ 941 ☒ Local ☐ Other (Specify)

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

USAID/Egypt Controller concurs with the proposed methods of implementation and funding.

Homi Jamshed

Homi Jamshed, Acting Controller

17. APPROVED BY

Signature: Frank B. Kimball

Title: Frank B. Kimball, Director

Date Signed: MM 7 DD 28 YY 85

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: MM DD YY

PROJECT PAPER

DEVELOPMENT TRAINING 263-0125

OFFICE OF EDUCATION AND TRAINING
CAIRO - EGYPT

JULY 1985

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VIII. Project Agreement

NOTE: For a list of literature/reports consulted in the development of this Project Paper and the Environmental Impact Determination, see the PID developed and approved for this project.

I. SUMMARY AND RECOMMENDATIONS

A. Project Title: Development Training

B. Project Number: 263-0125

C. Grantee: The Government of Egypt (GOE)

D. Coordinating Agency: The Ministry of Planning and International Cooperation (MPIC)

E. Implementing Agencies: The Central Agency for Organization and Administration (CAOA), Ministry of Management Development; Missions Department, Ministry of Higher Education

F. Amount: $1.09 million

G. Terms: Grant to the Government of Egypt

H. Life of Project: 6 years

I. Project Goal and Purpose:
The basic problem addressed by the project is to increase the operational effectiveness and efficiency of Egyptian institutions contributing to selected key development goals by providing more and better training opportunities. The purpose of the project is to design and implement a better organized and more efficient Egyptian training program to train Egyptians in the U.S. and Egypt.

J. Strategy: The means proposed in the project are: (1) to provide cost effective education and training opportunities (in the U.S. and Egypt) for key individuals in development sectors, while (2) simultaneously

helping the GOE improve its capacity to rationalize its procedures for identifying training needs, selecting in-country and off-shore cost-effective training opportunities and optimizing the use of individuals once trained. This two-pronged approach is dictated by USAID's operational experience to date with non-project training and the Peace Fellows Program(1), discussions with the GOE's Ministry of Planning and International Cooperation (MPIC) and the Central Agency for Organization and Administration (CAOA) and the recommendations of USAID sector offices (see Concept Paper developed in collaboration with USAID sector offices, which was approved by Mission management and accepted by the GOE - Annex II). The three main activities currently planned for are:

i. Training: Because Egypt continues to suffer from structural imbalances in its labor force, necessitating training in management skills and key professional areas, the project will provide three types of training to both private and public sectors:

a. A continuation of the Peace Fellowship Program (263-0110) which will differ from its predecessor by focusing more sharply on a limited number of sectors/problems, focusing on critical clusters of training needs rather than on individuals, providing more and better follow up of returnees and by involving sponsoring GOE agencies more directly in the program. This part of the project will be implemented by the Missions Department of the Ministry of Higher Education (MOHE) acting in collaboration with the CAOA. Approximately $41 million will be provided by USAID to train 2100 individuals for both public and private sectors. Training will be provided primarily but not exclusively in the U.S.

(1) The Peace Fellows and Technology Transfer are lumped under the general rubric "non-project training" in the background/analysis section of this paper, although the former has always had substantially more specific objectives than the latter which, for lack of pre-planning, has remained ad hoc in character. The two are treated separately as new project components in this PP.

b. A non-project general training component will provide approximately 4,500 months of varying kinds of training to both public and private sectors, in the U.S. and third countries. Total USAID cost is estimated to be approximately $20 million. Activities will differ from the previous projects by focusing training on efforts to increase immediate operational efficiency; by more closely linking activities to pre- and post-project requirements deriving from other USAID projects and by limiting the number of sectors to be addressed. Placement will be handled by USAID/Cairo using AID/Washington (AID/W) training contractors.

c. English language training is made a specific and integral part of the USAID training effort. The program differs from previous efforts in that it makes provision for providing English language training in Egypt to 6000 Egyptians who need and want it for use within Egypt but will not be going abroad for other training, as well as training for 4000 individuals who will need English to take advantage of off-shore training opportunities in the U.S. and/or third countries. We expect to commit approximately $20 million. Activities will be handled through grants to organizations operating in Egypt.

The most significant change associated with the Mission's non-project training portfolio lies in the fact that all requests will now be screened by the central GOE agency (CAOA) charged with rationalizing investments (GOE as well as donor) in training.

ii. Institution Building:(1)

To assist the CAOA to better perform tasks associated with rationalizing investments in training (i.e., identify training needs, recommend cost effective training solutions and identify and make use of human capital already created) USAID will provide

(1) Institution building means the development of an Egyptian entity which, when the project is finished, will be organizationally and financially capable of operating effectively from resources other than USAID's.

$7.5 million for TA, commodities and training peculiar to up-grading CAOA staff capacities. Among other things, funds will be used to assist the CAOA, acting in collaboration with other GOE agencies, to:

a. develop and use standardized procedures for constructing manning tables, translating manning tables into training plans, assuring consistency between plans and for aggregating individual GOE agency plans into periodic national training plans. The project will provide for the writing of manuals and assist in the training of a cadre of CAOA staff who, in turn, will instruct CAOA employees located in all GOE agencies (CAOA has some 220 offices) to utilize the new standardized procedures in their respective GOE agencies (e.g., ministries, governorates, public sector industries);

b. develop and use a talent bank of Egyptian expertise so that the whereabouts and availability of extant Egyptian expertise can first be known and secondly, in being known, utilized. Appropriate access will be made for the private sector; and

c. develop procedures for periodically assessing the nation's in-country training capacities, so that the GOE and donors, over time, can be more selective in using Egyptian institutions and better understand the relative cost and benefits of in-country and out-of-country training.

Activities will be handled through an AID direct contract.

iii <u>Up-Grading In-Country Training Capacity</u>:

The project also provides $20.5 million dollars to assist the GOE to improve in-country training facilities where economies of scale indicate that training in-country is the most cost-effective solution. It is not the intention of the project to start new

institutions, but rather to assist (with TA, commodities and staff development) existing institutions in Egypt to play a more effective role in providing the nation's human capital. In all likelihood activities will be handled as sub-contract/grant elements under the prime contact noted in ii above.

K. Project Implementation:

The first year of the project will be dedicated largely to: (1) developing the organizational and procedural infrastructure necessary to carry out the rationalization program desired by USAID and the GOE; and (2) reviewing the operational guidelines of current training activities (e.g., Peace Fellows, non-project training, English language training) with a view to revising them in the light of experiences to date and better understandings of current and likely future needs. In the interim, more general training requirements will be met under the current Peace Fellowship Program and the Technology Transfer and Manpower Development projects. Beginning in the second and third years of the project, when the aforementioned current training activities are phasing out, the new project will meet such training needs.

All project activities will take into account private sector requirements; e.g., through quota set asides under training components as well as assuring that the private sector can access the talent bank.

While several sub-project activities will be executed under grants (e.g., Peace Fellows Program, English language program), it is the intention of the project to structure all components so that they go forward under the aegis of the CAOA. This means that the CAOA will control and/or supervise project implementation in all components. It is done to assure that all GOE efforts are understood and coordinated by at least one GOE agency and that appropriate coordination of AID inputs with those of other donors and the GOE will be enhanced. Table I gives implementation responsibilities by agencies and project components; i.e., it shows the relationship of the overall approving agency (MPIC), the coordinating agency (CAOA) and the implementing/managing agencies.

L. Recommendation:

Because the project directly and positively supports the development objectives of both the GOE and AID and is technically feasible, it is recommended that a dollar grant in the amount of $109 million be authorized with an initial FY 85 obligation of $4 million.

TABLE I

Implementation Responsibilities by Agencies and Components

Component	Overall Approving Agency GOE (a)	Coordinating Agency/Members (b)	Implementing/ Managing Agency (c)	Relationship (a) to (b) to (c)
I. Training				
- Peace Fellows	MPIC(1)	CAOA - MPIC - USAID - MOHE - others on need basis (2)	MOHE/Missions Department with Assistance from HRDC/ET	Implementing agency submits annual training plan to CAOA which calls coordination meeting to discuss/approve MOHE plan. CAOA then transmits plan to MPIC for final approval. Once MPIC approves annual plan, would not go back to MPIC unless agreed upon limits require change.
- Non-Project Training	MPIC	CAOA - USAID (E/T and sector offices - GOE ministries/ agencies - others on need basis	CAOA in Coordination with USAID/ HRDC/ET	During course of year coordinating committee will call meeting of USAID sector offices and GOE agencies and possibly other donors. When sector reviews completed, CAOA prepares aggregate national training plan annually and submits it to MPIC for approval. Once MPIC approves plan, would not go back to MPIC unless agreed upon limits need to be altered.
- English Language Training	MPIC	CAOA - CDELT - USAID (3) - others on need basis (e.g., British Council, MOE/MOHE)	various	CDELT acting as the staff organization will prepare annual training plan for English language training. Plan will be submitted to CAOA coordination committee for ELT, for review and approval, plan will be submitted to MPIC for its approval on an annual basis. Once MPIC approves plan would not go back to MPIC unless agreed upon limits need to be changed. CAOA would then solicit competitively for services. If to be funded by USAID, proposals would be reviewed by CAOA and USAID. Sub-Agency would be responsible for implementation with CAOA and USAID monitoring implementation.

TABLE 1 - cont.

Component	Overall Approving Agency GOE (a)	Coordinating Agency/Members (b)	Implementing Agency (c)	Relationship (a) to (b) to (c)
II. Institutional Development	MPIC	MPIC - CAOA - USAID - CARMAS - other agencies on need basis	CAOA	GOE will in the first instance have to designate the CAOA or an alternative agency as being the coordinating agency. CAOA will set up coordinating bodies for project components. CAOA will be responsible for preparing one national training plan made up of at least components under project. CAOA will be responsible for seeking MPIC approval and reporting to MPIC on implementation. Where USAID is providing funding, we will be on coordination committees. The progress of institutionalization of the CAOA will be monitored by USAID under a direct contract and annually the CAOA and USAID will submit results to MPIC.
III. Up-Grading In-Country Training Institutions	MPIC	CAOA - USAID - receiving institutions - others on a need basis	various	CAOA will prepare annual plan for up-grading in-country institutions. Plan will be submitted to MPIC on an annual basis for review/approval. Once MPIC approved, would not go back to MPIC unless agreed upon limits need to be altered. CAOA will then seek assistance competitively. If USAID assistance sought, proposals would be reviewed by USAID. Monitoring of performance will be responsibility of CAOA with participation by USAID if USAID is funding agent.

NOTES:

(1) MPIC will review CAOA training plan submissions to include recommendations for up-grading local institutions. This will be done on an annual basis. Once annual plan is approved, CAOA will be responsible for coordinating implementation reporting on progress at time next annual training plan is submitted to MPIC. Project envisages that CAOA will become a "staff" arm of MPIC just as CDELT will become a staff arm for the CAOA.

(2) Others will include appropriate representation from the private sector.

(3) USAID will not sit on the coordination committee when we are not to be the funding agent. In such cases USAID would be in the "others" group, but on a need basis.

II. PROJECT RATIONALE AND DESCRIPTION

a. Background

It is becoming increasingly clear that, during the eighties, Egypt will not benefit from rapidly increased foreign exchange as it did in the 70's, following President Sadat's introduction of the "infetah" policy. Consequently, as the USAID Cairo Country Development Strategy Statement (CDSS) notes, to maintain the economic and social momentum of the past few years, Egypt must rely on increased productivity within industry and agriculture. It must also address the need for improving the delivery of adequate social services (e.g., water and sewage facilities, communications, schools, medical facilities) to a rapidly growing, increasingly urbanized population. "Egypt's economic, political and social well-being will not be substantially enhanced, regardless of capital investments by the U.S. and others, unless there is collateral improvement of Egyptian institutions and services" (Page 3 CDSS). The GOE is aware of the needs reflected in the CDSS. The current Five Year Plan of the GOE notes under manpower objectives the need for "manpower development both quantitatively and qualitatively, with strong emphasis in improving productivity and performance" (p. 116). While the Five Year Plan states that the imbalances in the labor force "can be tackled only in the framework of a comprehensive plan for manpower development ..."; for methodological, data, coordination and policy constraints, the GOE is not likely to introduce comprehensive manpower planning (with its concomitant parts, labor force forecasting and educational planning) for some time. As the International Labor Organization (ILO) noted in its comprehensive 1982 study of the labor force and employment in Egypt, "...employment and manpower planning do not exist as an integrated part of economic planning in Egypt." Even if such studies were available to Egypt, they would serve more to orient the output of future school leavers to future labor force requirements than to solve the immediate need to improve productivity and the delivery of social services within the existing employed population, particularly the public sector.

There is considerable evidence (ILO and IBRD), to suggest that projected productivity targets will be hard to meet in fact, because the "boom" impetus of the 1970s (with low unemployment and short-term scale economies) is giving way to more normal levels in which rates of increase must be tied to

technological innovations, improved education of the labor force and revised capital investment/strategies. Egypt's human resource base is qualitatively inadequate to meet current and projected demands for increasing productivity and installing and maintaining social infrastructure. Moreover, there are marked structural imbalances in the labor force occasioned in large part by lack of fit between school outputs and technical/managerial skill requirements and the emigration of technical and professional personnel.

This means that Egypt will continue to need to train individuals in key areas of chronic shortage, while assuring that the cost of such training is kept to a minimum consonant with quality requirements, and that optimal use is made of individuals already trained.

b. Experience to Date with Non-project Training

As of May 14, 1985, the Mission had funded 6249 participants of whom (58%) were supported from the Peace Fellows and Technology Transfer Projects. Women made up 18% of the total. Approximately 85% have returned to Egypt; the balance is still in training. Of this total, 96% received their training in the U.S., and 3% have come from the private sector. Participants were drawn from some 300 different Egyptian sponsors and were placed in 250 U.S. academic institutions, 70 public sector organizations (e.g., Bureau of the Census) and a host of private sector organizations. Approximately 13% have received some form of academic degree training. The total amount of funds earmarked specifically for participant training (project and non-project) is approximately 1.5% of the Mission's total obligations to date. A 1983 Mission study on all participant training concluded that, "...it is probably fair to say that at least 50% of those trained under PIO/Ps are working in sector related areas (i.e., they appear to be working in areas such as agriculture, health and population in which USAID/C has specific development activities)".(1)

(1) USAID, A Descriptive Survey of Participant Training in USAID/Cairo 1976-82, Cairo, April 1983.

While 50% direct short-run pay off was acceptable in the 1970's (considering the political urgency surrounding the Mission's desire to rapidly mount visible manifestations of U.S. Government assistance and the fact that we had been cut off from Egypt for a considerable period of time), it should be improved in the 1980/90's.

The two project training efforts, Peace Fellowships (0110) and Technology Transfer and Manpower Development I, II, and III (0026), mounted in the immediate wake of the Camp David Accords are, in the light of experience and current needs,(1) in varying degrees:

1. too broad in terms of purposes;
2. lacking sectoral focus;
3. lacking a fully developed GOE planning and management capacity to mount training plans (identify who should be trained and for what purpose), determine where the individual should be trained (in-country and/or out-of-country) and to identify and use individuals already trained;
4. limited to utilizing almost exclusively U.S. training institutions and U.S. contractors;
5. devoid of any specific provision for English language training.
6. in no way related to an assessment of regional requirements;
7. without explicit provision for:
   i. a private sector set-aside (0110 does make such provision);
   ii. USAID/C initiatives without further referal to the GOE; and
   iii. effective follow on actions (e.g., support for professional organizations involving Egyptians and Americans); and
8. did not analyze in terms of cost effectiveness or other criteria training alternatives in the U.S. and in Egypt.

(1) When developed in the mid 1970s, both projects were appropriate in the light of known needs, experience at that time and extant USAID policy and practices.

c. Relationship of Project to USAID Egypt's Country Development Strategy Statement (CDSS) and the GOE's Development Plan

The project is compatible with the Mission's strategy as stated in the 1986 CDSS. For the period 1986-90, the Mission will: (1) focus on providing the infrastructure necessary for productive growth; (2) transfer capital and technology for increased and more efficient industrial and agricultural production and (3) focus on human resource and institutional development. "Egypt's economic, political and social well-being will not be substantially enhanced .... unless there is collateral improvement of Egyptian human institutions and services" (page 3). Because the proposed project is dedicated to improving the effectiveness and efficiency of development institutions within Egypt, it is directly related to the achievement of all three USAID objectives.

The project is equally supportive of the GOE's two main manpower objectives: "(1) to achieve optimal utilization of human resources and (2) manpower development both quantitatively and qualitatively, with strong emphasis on improving productivity and performance." While neither the Government of Egypt nor the U.S., for a variety of reasons, have initiated long-range employment forecasting and manpower planning to serve as the basis for allocative decisions to and within education/training, there is clear evidence of a wish to improve performance within the public and private sectors. The activities proposed herein will be complementary to any long-term employment forecasting and educational planning, when and if such efforts are initiated, but should begin now whether or not there is long-term forecasting.

Finally, but not less importantly, the project is directly related to the mandate and immediate goals of the GOE coordinating/implementing agency, the CAOA. The CAOA was established (1977) and specifically charged with, "...studying the needs for manpower training in various professions and specializations, in collaboration with agencies concerned, ...aiding the personnel divisions in the various agencies, the training of their staff ... and follow-up recent

developments in personnel matters." Over the last six years, the CAOA has developed its infrastructure. Its latest annual report (83) states that "... the years to follow will undoubtedly be the years of training." While no one would argue that the CAOA has all the facilities to implement its mandates or that all Government of Egypt agencies will respond to its initiatives wholeheartedly, the fact is that the CAOA alone has the mandate to improve the civil service.

In short, the CAOA is charged with rationalizing public sector training, leaving the determination of specific manpower requirements up to GOE agencies themselves. The CAOA's mandate is not matched by means sufficient to effectively carry out all its mandates. The proposed project, among other things, will increase the capacity of the CAOA, while simultaneously meeting critical training needs.

d. Goal and Purpose

The basic problem (i.e., goal) addressed by the proposed project (and other USAID Cairo initiatives) is to increase the operational effectiveness and efficiency of Egyptian institutions contributing to selected key development goals by providing more and better taining opportunities.

The proposed solution to the aforementioned problem, i.e., the purpose of the Project, is to design and implement a better organized and more efficient Egyptian taining program and to train Egyptians in the U.S. and Egypt. While the economic and social development of Egypt will require varying mixes of capital, technology and labor; the solution proposed by the project assumes that the operational effectiveness and efficiency of any organization, public or private, is contingent, among other things, upon having senior and middle level staff (managers and professional/technical) who are capable of developing and carrying out appropriate development programs in Egypt in the

commodity, distribution and service sectors of the society. Despite numerous training efforts by AID, the GOE and other donors, the nation continues to suffer from acute shortages of middle-level and upper-level planning, management and technical personnel in many fields critical to Egyptian development. The project further assumes that managerial and technical skills acquired in and/or from the United States are appropriate for the organizational structure/operations of Egyptian institutions working in key development areas.

III. DESCRIPTION OF PROJECT ACTIVITIES

A. TRAINING

1. PEACE FELLOWSHIP PROGRAM

a. Objectives & Background

The project provides for a third phase of the Peace Fellows Program which was initiated in 1979. Phases one and two will provide a total of $60 million for some 2100 Egyptians to study at the graduate level in fields related to economic and social development.(1) The earlier phases of project activities have also assisted the implementing agent (the Missions Department of the Ministry of Higher Education) in further developing its placement, guidance, monitoring and follow-up capacities, particularly as they relate to placements in the United States. The Project Steering Committee (policy level) and the Project Management Committee (implementation) developed criteria concerning fields of study, types and levels of training that would be supported under the project, the relative distribution of opportunities to be afforded Egyptian institutions (public and private), age and background qualifications for entry into the program as well as the duration of time for study to be supported under the project.

Analysis and operational experience indicate that the program can be improved and the GOE's experience and desires confirm the need to modify the program:

(1) To date, the Peace Fellowship Program provides for graduate level academic training (10-18 months) in the U.S. for individuals from both public and private sectors. The program does not focus on degrees. If a degree can be obtained within 10-18 months, it is encouraged. In many cases the GOE has provided funding beyond that of AID to permit an individual to obtain a degree.

i. Those approving training requests should be afforded an institutional personnel development plan against which the individual peace fellow's plan of study can be weighed. In short, we should be able to see what the applicant wants and how the individual's training will be related to his/her institution's plans for growth;

ii. the GOE should take appropriate steps to coordinate U.S. assistance to assure that returnees are afforded the tools to permit them to utilize what they have learned. In short, there should be a discernable relationship between the requirements of returnees (e.g., labs, books, journals, etc.) and the commodities provided to the institutions (e.g., the universities) under the Commodity Import Program;

iii. efforts should be made to link like-trained individuals through the improvement of professional organizations within Egypt and between Egypt and professional organzations in the U.S.; and

iv. there should be effective coordination of university Peace Fellows (50%) and those of other participating agencies both public and private.

Finally, but no less significantly, is the fact that the criteria developed in 1979 have not been subject to the kind of periodic validation that the program needs if it is to serve the stated purpose of the project. A 1982 evaluation found that many criteria established in 1979 were inappropriate. In the light of the mid-term evaluation of the current Peace Fellows Program and the need to improve the program's relevance and efficiency, it is the intention of the project to dedicate first-year activities to validating selection, placement, monitoring and follow up criteria and examining the means (coordination, planning, follow-up) whereby training under the Peace Fellows Program can be brought

more directly into the planning of other GOE agencies responsible for rationalizing overall training inputs and optimizing the use of the nations' human capital.(1)

b. Financial Plan

Following the review of project criteria and the development of necessary coordination with other Egyptian entities, the project will provide $48,802,000 of which $41 million will be provided by USAID and the balance of $7,802,000 by the GOE. One thousand two hundred seventy five (1,275) fellows will be trained. AID's contribution will be in the form of a grant to the Ministry of Higher Education. AID's inputs will be:

-$37,750,000 to meet U.S. traning costs including transportation to and from the U.S. (except as such transport is paid by GOE);

-$1,297,000 to assist the GOE placement operation in the United States;(2)

-$383 thousand to meet local office costs of the GOE's Missions Department;

-$400 thousand for evaluation and audit costs.

The project also makes provision for $1,170,000 for contingency costs. Of the total of $41 million for the Peace Fellows activity only $383,000 will be used to purchase local currency. In the event that the FT800 account is funded and air fares and local GOE costs are met from it, the dollars released will be programmed to training thus allowing a greater number of Peace Fellows to be trained. Re-programming would be accomplished by Project Implementation Letter (PIL). Tables II and III provide financial information for the Peace Fellows activity.

(1) Additionally, such utilization issues as incentives, surety and bonding systems for both public and private sector trainees will be examined.

(2) Assistance to the GOE Washington operation for placing, monitoring, etc. Peace Fellows will be limited to meeting recurrent costs associated with operations and sub-contracting for placement services in the U.S. Paying salaries of incumbent Egyptian civil servants and capital costs are excluded.

TABLE II
Peace Fellows USAID - U.S. Dollar and LE Expenditures by FY
(000s)

Items	85/86		86/87		87/88		88/89		89/90		90/91		Total	
	$	L	$	L	$	L	$	L	$	L	$	L	$	L
Training(1) & follow up	-	-	6,200	-	6,800	-	7,400	-	8,200	-	9,150	-	37,750	-
GOE/Washington	-	-	215	-	236	-	260	-	286	-	300	-	1,297	-
GOE/Local	-	50	-	55	-	60	-	66	-	72	-	80	-	383-
Eval/Audit					200	-					200	-	400	-
Sub-total		50	6,415	55	7,236	60	7,660	66	8,486	72	9,650	80	39,447	383
Contingency	150	-	175	-	200	-	225	-	250	-	170	-	1,170	-
Total	150	50	6,590	55	7,436	60	7,885	66	8,736	72	9,820	80	40,617	383

(1) Includes air fares

TABLE III

Peace Fellows Expenditures-US/GOE by FY

(000s)

	85/86		86/87		87/88		88/89		89/90		90/91		Total	
Items	AID	GOE	AID	GOE	AID	GOE	AID	GOE	AID	GOE	AID	GOE	AID	GOE
Training & follow up	-	-	6,200	800	6,800	890	7,400	980	8,200	1,080	9,150	1,190	37,750	4,940
GOE/W	-	-	215	215	236	236	260	260	286	286	300	300	1,297	1,297
GOE/local	50	50	55	250	60	275	66	300	72	330	80	360	383	1,565
Eval/Audit	-	-	-		200				-		200		400	-
Sub-total	50	50	6,470	1,265	7,296	1,401	7,726	1,540	8,558	1,696	9,730	1,850	39,830	7,802
Contin-gency	150	-	175	-	200	-	225	-	250	-	170	0	1,170	-
TOTAL	200	50	6,645	1,265	7,496	1,401	7,951	1,540	8,808	1,696	9,900	1,850	41,000	7,802

c. Implementation and Evaluation Plan

i. Institutional Responsibilities: The Peace Fellows Program will be implemented by the Missions Department of the Ministry of Higher Education. It has demonstrated its ability to implement the project (1); i.e., it is currently handling some 5000 students studying abroad including some 2,000 studying in the U.S. Nevertheless the Missions Department needs to develop more effective collaboration with other GOE agencies (most noteably the Central Agency for Organization and Administration) and such arrangements will be worked out during the first year of the activity.

ii. Implementation Plan:

Date	Major Actions
July 1985	Project Agreement executed
August 1985	Review of criteria under current Peace Fellows Program initiated.
October 1985	Review completed and submitted to Policy Sterring Committee for approval.
December 1985	New project guidelines promulgated for Peace Fellows Program to include: -formal coordination with the Central Agency for Organization and Administration.

(1) Determination of Missions Department capacity made by USAID Cairo as part of P.P. Amendment to Peace Fellows Program (263-0110) dated April 28, 1985, (page 2).

	-provision of an annual training plan. -provision for access by a central GOE agency to the Peace Fellows data base. -plans for assuring optimal use of those trained to include a defined relationship to commodity imports necessary for research/instruction upon the return of fellows.
January 1986	New guidelines approved by relevant GOE and USAID authorities
February 1986	Accepted new guidelines incorporated into the project by PIL.
March 1986	Activities under new PIL Initiated and full implementation plan provided.

iii. Evaluation Plan

The Peace Fellowship training component will be subject to annual reviews and periodic evaluations. The annual reviews will be an explicit part of the development of "sector" and "type of training" committees. Each year's annual training plan request will be based on an examination of the previous year's performance. Reports generated by the Missions training information system will provide a basis for discussion. These reviews will include representatives from the MPIC, USAID, Central Agency for Organization and Administration, and the private sector. These reviews will also provide an opportunity to discuss implementation issues such as selection criteria, logistics, pre-departure, English language preparation, involvement of women, and other generic training concerns.

An evaluation will be conducted by the CAOA, Ministry of Higher Education (MOHE) and USAID in the third year of the project life to assess the effectiveness of pre-departure, training, and post-training follow-up. An emphasis will be placed on the quality of services offered to trainees, the usefulness of the training programs, and of the impact of training and follow-up. A preliminary review of the institutionalization of follow-up should also be included in this evaluation.

As part of the evaluation, alternative placement strategies in the U.S. will be researched; i.e., the evaluation will examine relative cost effectiveness of aggregating students in a selected number of institutions rather than dispersing placements over many institutions in the U.S. In the event that parties to the project feel that such a study is warranted early on in the project (so that subsequent placements will benefit from findings), the contractor will be asked to undertake such work. Any such efforts should take into account the USAID Mission's total educational portfolio so that findings and recommendations may have the broadest possible impact.

c. Conditions Precedent and Covenants

i. Conditions Precedent

Prior to any disbursement or to the issuance by AID of documentation pursuant to which disbursement will be made, the Cooperating Country shall, except as AID may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:

a. A statement of the names and titles, with specimen signatures, of the person or persons who will act as the representatives of the individual project component.

b. A plan acceptable for coordinating project activities (e.g. training) with the Central Agency for Organization and Administration.

c. A plan for assuring that the public sector returnees under the program are assured adequate supplies and materials to permit them to utilize their knowledge and skills. This plan should show how the needs of returnees are related to the commodities procured under the USAID commodity import program.

d. Such other documentation as AID may require.

ii. Covenants

a. The GOE will use its best offices to assure the development of professional organizations as part of the follow-up activities for Peace Fellows.(1)

b. The GOE, in collaboration with USAID and the CAOA, will develop a plan and procedures for involvement of the Egyptian private sector and will assure an appropriate amount of funds to permit its participation.(2)

(1) Egypt has many professional groups. They lack funds for seminars, newsletters, importation of journals, etc. The Project will require the Missions Department to solicit in the local press request for assistance from selected groups and within limits per group to be established provide funding by small grants.

(2) Specific steps for involving the private sector will be established by the CAOA in all components. Consideration will be given to:

i. set asides
ii. cost sharing
iii. direct grants.

2. NON-PROJECT TRAINING

a. Objectives and Background

The Project provides for a continuation of non-project training (i.e., a successor to project 263-0026) which was initiated in 1976. Activities to date have provided funding for 1782 individuals at a project cost of $42,500,000. The bulk of training provided has been non-academic in character and is made up primarily of short visits (1-3 months) designed to provide participants with practical observational training exposure for purposes of immediate application to the job of the participant. About 85 sponsoring organizations have participated including the private sector. In addition to individuals sent abroad, past non-project training funds have been used to fund in-country training usually on a grant basis (e.g., the AUC English Language Program, the Fulbright Program, the AALC program). Recent discussions with the GOE and the results of a 1982 evaluation of non-project training indicate that project efforts can be improved by:

i. a more focused set of purposes giving, in the future, higher priority to improving critical functions (probably requiring that a group of individuals acting in a hierarchy be trained) rather than focusing on individuals' needs as in the past;

ii. a more focused number of sectors;(1)

iii. the development and use of training plans by sponsoring agencies which will permit funding agencies (GOE and donors) to understand how the need for training was determined, how the place for training was fixed, and how a particular organization plans to optimize the use of those trained;

(1) Focusing criteria will derive from the GOE priority development needs set down in the GOE's 5-Year Plan and USAID's CDSS.

iv. greater appreciation for a more effective balance between in-country training and out-of-country training, taking into account cost effectiveness and other less quantifiable advantages and disadvantages (e.g., social and cultural);

v. improved coordination between requesting agencies (public and private) and some centralized GOE agency which can assist nominating agencies to better identify their training needs, help them in recommending training venues and acquaint them with the availability of trained individuals located in other parts of the labor force; and

vi. strengthened and sustained relations between training organizations and trainees.

In short, USAID's experience and that of the GOE strongly suggests that subsequent training efforts must be rationalized in order to assure the appropriate selection of individuals to be trained, that the most cost-effective opportunities are provided and to enhance the use of those already trained. This means that the GOE must develop and use a centralized government agency (e.g., the CAOA) whose tasks, among other things, will be to provide the kind of guidance and coordination required to assure that the GOE training commitments are more closely related to human capital needs and resources.

During the first year of the project, no training will be provided. Current needs will be accommodated under the existing non-project training project 263-0026. Non-project training will be provided beginning the second year of the project; i.e., as current non-project training activities (263-0026) phase out.

During the first year of project activities, the capacity of the Central Agency for Organization and Administration to play the central coordination role vis a vis the GOE's desire to rationalize investments in training will be enhanced. As a result of activities undertaken under the institutionalization component of the project (see 2 page 53) it is expected that:

i. plans and procedures for developing training plans in all GOE agencies will be improved;

ii. procedures for relating new training requests to existing human capital will be in place;

iii. plans and procedures for assessing in-country training capacity will be in use; and

iv. central coordination of investments in training will be operating.

The allocation of funds (GOE and donor) to non-project training, Peace Fellowships and project related training will benefit from central coordination and the activities noted immediately above. In short, we expect that the Central Agency for Organization and Administration will become the primary staff advisory group to the Ministry of Planning and International Cooperation in the area of investments for developing and using human capital. The CAOA in collaboration with GOE agencies, donors and the private sector will present an annual training plan to the MPIC who will have final approval of activities. By the end of the first year of project activities, training requests to USAID will begin to be screened by the Central Agency. In addition to the improvement of Central Agency capacities, it is expected that needed new criteria will be developed for purpose and sector focii, using the GOE's 5-Year Plan objectives as the primary criteria. These criteria, as they pertain to USAID investments in training, will be discussed with USAID sector offices during the course of the first year and each year thereafter. Thereafter, it is expected that the Central Agency will present an annual training request to USAID which deals systematically with all USAID investments in training, be they project or non-project in character. This is not to say that USAID will not entertain ad hoc requests that may appear during a year and after an annual plan has been approved. USAID will entertain such requests (funds permitting), but only after they have been screened and approved by the Central Agency acting in cooperation with USAID, except as USAID's priorities and regulations may warrant exemption to established procedures.

b. Financial Plan

The non-project training activity will cost $22,680,000 of which $20 million will be provided by USAID and the balance of $2,680,000 (12%) will be met by the GOE. USAID's inputs will be:

-$6,000,000 for long-term training out-of-country (approximately 1,500 person months);
-$12,275,000 for short-term training (3000 months, out-of-country);
-$750,000 as a set aside for USAID Initiated training efforts. This set aside is new. USAID will set broad training parameters with the GOE on an annual basis and will be permitted to initiate training within the limits under advice to the GOE. The set aside is needed: (1) so that AID can take advantage of meetings/conferences, etc. when the need to respond positively to an opportunity is shorter in time than the normal approval time within the GOE and (2) so that, on occasion, AID may involve Egyptians in affairs that are related to future AID initiatives.

In addition, USAID will provide $225,000 for evaluations and audits and a contingency fund of $750,000. Of the USAID total input of $20,000,000, $6,125,000 will be used to purchase Egyptian pounds to meet local costs. In the event that the FT 800 account is funded and air fares and other local project related costs are met from it, the dollars released will be programmed to training. Re-programming would be accomplished by PIL. Tables IV and V provide expenditure data.

TABLE IV

Non-Project Training

Expenditures U.S./GOE by FY

(000s)

	85/86		86/87		87/88		88/89		89/90		90/91		Total	
Items	AID	GOE	AID	GOE	AID	GOE	AID	GOE	AID	GOE	AID	GOE	AID	GOE
Long-term training			1,000	50	1,100	55	1,200	60	1,300	65	1,400	70	6,000	300
Short-term training			2,050	400	2,250	420	2,450	480	2,650	520	2,875	560	12,275	2,380
AID reservation	100	-	110	-	120	-	130	-	140	-	150	-	750	-
Eval/Audit					50						175		225	
Sub-total	100		3,160	450	3,520	475	3,780	540	4,090	585	4600	630	19,250	2,680
Contingency	100	-	110	-	120	-	130		140		150		750	
Total	200		3,270	450	3,640	475	3,910	540	4,230	585	4,750	630	20,000	2,680

TABLE V

Non-Project Training

AID-US Dollar and LE Expenditures by FY

	85/86		86/87		87/88		88/89		89/90		90/91		Total	
Items	$	L	$	L	$	L	$	L	$	L	$	L	$	L
Long-term training	-		1,000	-	1,100	-	1,200	-	1,300	-	1,400	-	6,000	-
Short-term training			1,025	1,025	1,125	1,125	1,225	1,225	1,325	1,325	1,450	1,425	6,150	6,125
AID reservation	100	-	110	-	120	-	130	-	140	-	150	-	750	-
Eval/Audit					50						175		225	
Sub-total	100		2,135	1,025	2,395	1,125	2,555	1,225	2,765	1,325	3,175	1,425	13,125	6,125
Contingency	100	-	110	-	120	-	130	-	140	-	150	-	750	
Total	200		2,245	1,025	2,515	1,125	2,685	1,225	2,905	1,325	3,325	1,425	13,875	6,125

c. Implementation and Evaluation Plan

i. Responsibilities

a. USAID

Non-Project Training will be implemented by the CAOA and the Office of Education and Training, USAID using AID Washington's Office of International Training for placement and monitoring. Follow up activities will be the responsibility of the Office of Education and Training acting in collaboration with the Central Agency for Organization and Administration.

b. GOE

The appointed GOE implementation agency (CAOA) will be responsible for developing the GOE annual training plan against which USAID resources will be allocated. In the preparation of GOE annual training plans, the GOE implementing agency will be expected to interact with USAID's office of Education and Training and USAID sector offices on a need basis.

ii. Implementation Plan

Date	Major Actions
July 1985	Project Agreement executed.
October 1985	Review of criteria for non-project training conducted in collaboration with the CAOA.
December 1985	Review completed and new project guidelines promulgated for non-project training to include: - consideration for a private sector set-aside;

- provision and procedures set down for the form and use of an annual national training plan (developed in the light of the Peace Fellows and project training requirements);
- coordination of training requests by the CAOA;
- the size and purpose of a USAID set aside to permit USAID to initiate a limited number of training activities under advice to the CAOA/MPIC.

February 1986	New guidelines submitted to relevant GOE and USAID officials for approval.
April 1986	New guidelines approved.
May 1986	New guidelines initiated into project via PIL.

iii. Evaluation Plan for Non-Project Training:

The non-project training component will be subject to annual reviews and periodic evaluations. The annual reviews will be an explicit part of the development of "sector" and "type of training" committees. Each year's annual training plan request will be based on an examination of the previous year's performance. Reports generated by the CAOA's training information system will provide a basis for discussion. These reviews will also provide an opportunity to discuss implementation issues such as selection criteria, logistics, pre-departure, English language preparation, involvement of women, and other generic training concerns.

An evaluation will be conducted by the CAOA and USAID in the third year of the project life to assess the effectiveness of pre-departure, training, and post-training follow-up. An emphasis will be placed on the quality of services offered to trainees, the usefulness of the training programs, and of the impact of training and follow-up. A preliminary review of the institutionalization of follow-up should also be included in this evaluation.

d. Conditions Precedent and Covenants:

i. Conditions Precedent

Prior to any disbursement or to the issuance by AID of documentation pursuant to which disbursement will be made, the Cooperating Country shall, except as AID may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:

a. A statement of the names and titles, with specimen signatures, of the person or persons who will act as the representatives of the individual project component;

b. A plan acceptable to AID for coordinating project activities with the Central Agency for Organization and Administration; and

c. Such other documentation as AID may require.

ii. Covenants

The GOE will assure the involvement of the Egyptian private sector and will provide plans for doing so.

3. ENGLISH LANGUAGE TRAINING

a. Background and Objectives

In their efforts to enhance economic, political and cultural relations between Egypt and the West, Egyptian policy makers have identified the teaching and use of English as an important element. USAID shares the GOE view. English has been introduced into grades 7-9 of the Basic Education program and commands 15% of the instructional time. It is the language of instruction in the engineering, medical and scientific faculties of Egypt's Universities and is recognized by the scientific and professional communities as well as by senior GOE officials as being essential to the transfer and adaptation of science and technology for Egyptian social and economic growth.

While the awareness of the need for English language training and use has grown, the capacity to meet the aforementioned need has fallen. The rapid expansion of enrollments at all levels of the education system accompanied by the nationalization of private foreign language schools has resulted in a serious decline in the quality and coverage of English language instruction and use within the schools and, subsequently, in the Egyptian scientific and professional market place. Shortcomings stem from, among other things, sharp reductions of native English language speakers in the schools, an equally drastic reduction of fully qualified Egyptian teachers of English and emigration of both kinds of qualified teachers and professors in the sciences and engineering because of marked wage differentials within Egypt and between Egypt and other countries in the Middle East, Europe and North America.

The GOE has over the last few years taken definite steps to correct shortcomings. USAID/Cairo has, in several ways, been able to assist the GOE in its efforts:

i. Through the development of better teacher training materials:

The Center for Development of English Language Teaching (CDELT) at Ain Shams University has been working to develop more appropriate pre-service training materials for students in English Departments of Faculties of Education.

USAID contribution: USAID supported the early work of CDELT through a grant to the University of California. Current contributions include funding for the distribution of the USIA Language Magazine Forum to some 9,000 Egyptian teachers of English and the development and distribution of an English Language Teacher's Newsletter which targets this group.

ii. Through the up-grading of in-service teachers:

The MOE has mounted efforts to upgrade, through in-service programs, the "unqualified" teachers of English now working in the public preparatory and secondary schools. These are teachers who studied subjects other than English while at university.

USAID contribution: In 1982-83, 40 in-service teacher trainers were sent to the U.S. to learn how to use audio and other techniques to up-grade teachers. USAID also purchased U.S. Government English language cassettes, cassettes players and other teaching materials for use by those trainees in in-service centers in Egypt.

iii. Assisting English departments in faculties of education through the support of TEFL experts:

Thirteen U.S. professors and lecturers of TEFL(1) have been placed in 9 provincial universities to assist in the

(1) Teaching English as a Foreign Language - an academic program available in the U.S.

pre-service preparation of English teachers. These U.S. experts are also assisting in the testing of curriculum materials developed by CDELT.

USAID contribution: USAID is supporting this effort through grants to the Binational Fulbright Commission.

In addition to the aforementioned cooperative efforts, USAID has since 1977 supported English language courses at the Amercican University in Cairo (AUC) and the American Cultural Center (ACC), Alexandria by grants from USAID for project related trainees and counterparts. To date over 10,000 Egyptians have been tested at AUC, over 5,000 have attended courses, and over 4,000 have been sent, through USAID support, to the U.S. for training.

As further evidence of the GOE's interests and intentions, USAID has in hand expressions of Egyptian organizations' desires to: establish regional English language programs that will more effectively tie university and lower educational efforts together ; and provide residential training in Egypt in the light of needs and costs for meeting such needs.

Our experience in the aforementioned work with the GOE, the current expressions of Egyptian interest and the results of an evaluation of the Characteristics and Utility of USAID Participant Training Programs for Egyptians (Farag ELkamel, AMIDEAST, 1984), strongly suggest that future investments in English language programs in Egypt must be guided by a much better understanding of the heterogeneous client population, the cost effectiveness of various instructional modes and the various ways that English usage can be enhanced in the social and economic development of Egypt. As the Egyptians themselves have noted:

"Policy decision on language training needs to be taken, and policy guidelines should be available to formulate such decisions, at every level of national life, from broad policy directives regulating manpower, training and devlopment activities and long-term curriculum objectives in the education sector, to the day-to-day employment and training arrangements of public and private organizations in the industrial-commercial sector. Yet at present, no informal guidelines on language requirements and training are available, nor does the body of data exist on which such guidelines should be based and to which planners and training programs designers can turn for detailed factual information."(1)

The objective of this component is to continue to provide English language training in Egypt to serve the developmental needs of the GOE and USAID while simultaneously taking steps to provide all concerned with the information they need to make rational allocative decisions concerning institutions in Egypt which are or should be involved in imparting English language instruction or facilitating the use of the language for developmental purposes.

b. Financial Plan (Inputs):

In the aggregate, the English language training component of the project will cost $22,780,000 of which $20 million will be provided by USAID and the balance of $2,780,000 (12%) will be met by the GOE. The English language efforts under the project are broken down into sub-components whose inputs are given below:

(1) CDELT, Proposal for Survey of National Needs for English & Other Foreign Language in the Arab Republic of Egypt, CAIRO 1984, pg. 4

i. USAID

(a) English Language Survey (LOP)

- $246,000 for 18 months of long-term technical assistance.
- $ 67,000 for 4 months of short-term technical assistance.
- $ 37,000 for commodities.
- $ 70,000 for local cost support.
- $ 60,000 for rental of local computer facilities.
- $ 19,000 for 6 months short-term training.

This sub-component will run for the first 18 months of the project. Findings will provide the basis for revising (if necessary) traditional English language efforts (e.g., Fulbright & AUC programs) and detailing other types of assistance (e.g., residential in Egypt) that may enhance the attainment of the overall objectives of the component.

(b) Fulbright Program (LOP)

- $ 2,130,000 for 40 person-years of long-term TA.
- $ 1,034,000 for 47 person-years of long-term training.
- $ 377,000 for short-term training (100 months).
- $ 119,000 for instructional material commodities.

This component envisages the replacement of American personnel by qualified Egyptians. Training is included so that, by the end of the fourth year of the project, Egyptians will begin to replace their American counterparts. Activities start in the third year of the project. In the interim, the Fulbright program will be supported by 0026.

(c) AUC Program (LOP)

- $ 2,022,000 for instructional staff
- $ 22,000 for commodities.

This component envisages a reduction of support to AUC beginning in the fourth year of the project. It is expected that other language facilitites developed under the project will be able to take up the required entrants. Activities start in the third year of the project. In the interim, AUC will be supported from 0026.

(d) Up-grading in-country Egyptian Facilities:
The component is included to allow the Mission to respond to known areas of GOE interest. Finalization and agreement between the GOE and USAID on the specific activities will follow on the results of the English language survey noted above:

- $ 6,500,000 for the development of an institutionalised residential English language program capable of meeting a host of English language training needs (e.g., training of teacher trainers for university and secondary levels). A draft proposal from the Regional Adult Education Center is in hand.
- $ 3,500,000 for the development of regional university based Egyptian run English language centers. A draft proposal from Assiut is in hand.

- $ 2,000,000 for the development on a pilot basis of Egyptian run and Egyptian financed regional English language centers that would cater to known needs of the private sector, governorates, authorities - needs that will otherwise not be met. We have an unsolicited proposal from AUC.

In addition to the above English language component financing, USAID will provide a contingency fund of $1,547,000 and $250,000 for evaluation and audit. Of the USAID total input of $20 million, $6,840,000 will be used to purchase local

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Tables VI and VII

TABLE VI

Expenditures U.S./GOE by FY
(000s)

Project Components	85/86		86/87		87/88		88/89		89/90		90/91		Total	
	AID	GOE	AID	GOE	AID	GOE	AID	GOE	AID	GOE	AID	GOE	AID	GOE
1. E/L Survey														
LT/TA	80	6	166	7	-	8	-	9	-	10	-	11	246	51
ST/TA	32	2	35	3	-	-	-	-	-	-	-	-	67	5
local cost support	20	4	50	6	-	-	-	-	-	-	-	-	70	10
commodities	37	5	-	10	-	-	-	-	-	-	-	-	37	15
computer	20	5	40	10	-	-	-	-	-	-	-	-	60	15
S/T TRG.	9	1	10	2	-	-	-	-	-	-	-	-	19	3
Sub-Total	198	23	301	38	-	8	-	9	-	10	-	11	499	99
2. Fulbright														
TA/LT	-	-	-	-	700	120	770	132	425	145	235	170	2,130	567
TRG/LT	-	-	-	-	96	6	212	14	466	32	260	18	1,034	70
TRG/ST	-	-	-	-	80	6	90	8	99	10	108	12	377	36
commodities	-	-	-	-	30	-	33	3	36	10	20	10	119	23
Sub-Total	-	-	-	-	906	132	1,105	157	1,026	197	623	210	3,660	696
3. AUC														
TA/LT	-	-	-	-	600	-	660	-	363	-	399	-	2,022	-
commodities	-	-	-	-	6	-	7	-	4	-	5	-	22	-
Sub-Total	-	-	-	-	606	-	667	-	367	-	404	-	2,044	-

TABLE VI- (Continued)

Project Components	85/86		86/87		87/88		88/89		89/90		90/91		Total	
	AID	GOE	AID	GOE	AID	GOE	AID	GOE	AID	GOE	AID	GOE	AID	GOE
4. Up-Grading In-Country Facitities(1)														
- Residential Programs	-	-	1,000	100	2,000	150	2,000	175	1000	200	500	100	6,500	725
- Regional University Programs	-	-	500	100	500	100	500	110	750	150	1,250	300	3,500	760
- Self-Financing outreach program	-	-	500	100	500	100	500	100	250	100	250	100	2,000	500
Sub-Total	-	-	2,000	300	3,000	350	3,000	385	2,000	450	2,000	500	12,000	1,985
5. Eval/Audit	-	-	-	-	50	-	-	-	-	-	200	-	250	-
Sub-Total (1-5)	198	23	2,301	338	4,562	490	4,772	551	3,393	657	3,227	721	18,453	2,780
Contingency	20	-	100	-	300	-	480	-	400	-	247	-	1,547	-
TOTAL	218	23	2,401	338	4,862	490	5,252	551	3,793	657	3,474	721	20,000	2,780

(1) USAID has received expressions of interest in the three outlined programs, but details re specific inputs/outputs must be worked out.

TABLE VII

AID Expenditures ; US $ AND EL BY FY

(000's)

	85/86		86/87		87/88		88/89		89/90		90/91		TOTAL	
ITEMS	$	LE	$	LE	$	LE	$	LE	$	LE	$	LE	$	LE
1. E/L Survey														
TA/LT	50	30	100	66	-	-	-	-	-	-	-	-	150	96
ST/TA	16	16	18	17	-	-	-	-	-	-	-	-	34	33
Local Cost Support	—	20	—	50	-	-	-	-	-	-	-	-	-	70
Commodities	37	—	—	—	-	-	-	-	-	-	-	-	37	-
Computer	—	20	—	40	-	-	-	-	-	-	-	-	-	60
S/T training	9	—	10	—	-	-	-	-	-	-	-	-	19	-
Sub-Total	112	86	128	173	-	-	-	-	-	-	-	-	240	259
2. FULBRIGHT														
TA/LT	-	-	-	-	450	250	470	300	250	175	145	90	1,315	815
Trng/LT	-	-	-	-	96	-	212	-	466	-	260	-	1,034	-
Trng/ST	-	-	-	-	60	20	65	25	65	34	70	38	260	117
Commodities	-	-	-	-	30	—	33	-	36	-	20	-	119	-
Sub-Total	-	-	-	-	636	270	780	325	817	209	495	128	2,728	932
3. AUC														
TA/LT	-	-	-	-	350	250	370	290	225	138	250	149	1,195	827
Commodities	-	-	-	-	-	6	—	7	-	4	-	5	—	22
Sub-Total	-	-	-	-	350	256	370	297	225	142	250	154	1,195	849

TABLE VII Continued	85/86		86/87		87/88		88/89		89/90		90/91		TOTAL	
ITEMS	$	LE	$	LE	$	LE	$	LE	$	LE	$	LE	$	LE
4. Up-Grading (1)														
In-country Facilities														
-Residential Program	-	-	600	400	1,300	700	1,300	700	550	450	300	200	4,050	2,450
-Regional University Program	-	-	300	200	250	250	250	250	500	250	750	500	2,050	1,450
-Self-financing Outreach Prog.	-	-	300	200	250	250	250	250	150	100	150	100	1,100	900
Sub-Total	-	-	1,200	800	1,800	1,200	1,800	1,200	1,200	800	1,200	800	7,200	4,800
5. Eval/Audit	-	-	-	-	50	-	-	-	-	-	200	-	250	-
Sub-Total (1-5)	112	86	1,328	973	2,836	1,726	2,950	1,822	2,242	1,151	2,145	1,082	11,613	6,840
Contingency	20	-	100	-	300	-	480	-	400	-	247	-	1,547	-
TOTAL	132	86	1,428	973	3,136	1,726	3,430	1,822	2,642	1,151	2,392	1,082	13,160	6,840

(1) USAID has received expressions of interest in the these areas from Egyptian agencies.

ii. GOE

The GOE will provide the following in-kind contributions:

(a) Office space sufficient for assuring implementation of the project sub-component ;
(b) capital costs if required ;
(c) appropriate counterparts and support staff ; administrative, professional and secretarial. At least two counterparts will be appointed for each technician supplied to the project ;
(d) adequately prepared staff to take up the instructional opportunities of the components ;
(e) computer facilities available in Egypt. If leasing is required it may be charged against the component ;
(f) data will be made available to the project by all appropriate GOE agencies involved in project activities.

c. Outputs:

i. English language survey component: (18-24 months)

- one completed survey document with recommendations for English language training programs in Egypt ;
- four Egyptians trained in the U.S. and Egypt to continue survey work in future years

.ii. Fulbright component

- 22 Egyptians trained in English language instruction to the masters level
- 63 Egyptians provided short-term training in English language instruction
- 25 instructional books distributed
- 3000 Egyptiann English language staff up-graded

iii. AUC component

- 2100 Egyptians receive English language training
- 150,000 copies of English teaching forum/newsletter distributed

iv. Up-grading English language training in Egypt

- to be specified when specific proposals are developed

d. Implementation

i. GOE

No one agency will implement the sub-components under English language instruction. Rather sub-components will be implemented by several entities in Egypt (e.g., AUC, Center for Developing English Language Teaching). Control for sub-component activities will be directed by the Central Agency for Organization & Administratioin acting in formal collaboration with MPIC and USAID (and others on a needs basis) which, acting as the implementing steering committee will approve the development and/or implementation of sub-components to be funded by USAID under the project. The CAOA will be afforded the planning services of the CDELT(1) whose planning capacities will be up-graded under sub-component one. In short, the project envisages that CDELT will provide the staff support to the CAOA and that the CAOA will create appropriate staff positions to permit it to play the central coordination role in developing, implementing and evaluating English language programs for Egypt.

(1) CDELT, the Center for the Development of English Language Teaching, is located at Ain Shams University and operates under the Ministry of Higher Education. Its staff represent the most knowledgeable body of Egyptian experties in the area of English language training. They have expressed a willingness to engage in a planning role encompassing other levels of English language instruction. Its participation as a staff arm of the CAOA would not preclude its also acting on behalf of its parent organization, MOHE, in the matter of requesting support for English language up-grading within the universities.

Procedurally, this will mean that all requests for assistance in developing/improving English language programs in Egypt would be submitted to the CAOA's steering committee to first assure that a request falls within agreed upon policy guidelines and, secondly, to assure that the request would be reviewed by the committee's staff organization, CDELT. Once approved, the request would then be forwarded to the appropriate funding agency (GOE, USAID, other donors) for its consideration. Those requests that come to USAID and are approved for funding by USAID would then constitute a sub-component activity under the general rubric, English language training. Once mounted, a sub-component activity would be evaluated by the CAOA acting through its staff organization, (CDELT), in cooperation with the USAID project officer.

ii. USAID

The GOE has requested that efforts under the English survey sub-component be implemented under the same direct USAID contract that will be negotiated to support the institutional development component of the project. The prime contractor will be expected to meet the requirements under the sub-component (i.e., requirements for TA, training, etc.) to complete the survey sub-component with 18 months. While the prime contractor's scope of work would detail the survey activities, funds for carrying them out will be taken from the English language survey sub-component. All other funds for sub-activities under English language training will not be included in the prime contract. For each sub-component activity (e.g., Fulbright support, residential facility) grants or contracts will be negotiated by USAID's or the CAOA's contract office in accordance with instructions received from the CAOA and approved by USAID's Office of Education & Training.

Following the obligation of funds, USAID's Office of Education & Training will be responsible for developing the scope of work for the English language survey as part of the prime contract under the institutionalization component of the project. While USAID's Office of Education & Training will be responsible for monitoring all actions under the direct contract negotiated by USAID, the contractor and the CAOA will be responsible for monitoring performance under all other sub-component efforts, with the participation of USAID.

e. Implementation Schedule

Date		Major Actions
July	1985	Project Agreement Executed.
August	1985	Draft Contract and RFP presented to CAOA for its review and approval.
September	1985	RFP approved and sent to AID/W.
November	1985	Contractor selected.
January	1986	Contractor staff for English language survey arrive in Egypt.
April	1986	Four Egyptians depart for short-term training under survey-component.
January	1987	English survey sub-component evaluated (in-house with CAOA).
May	1987	Draft tentative findings and recommendations reviewed by CAOA & USAID Policy Coordination recommendations for all sub-component activities to be funded by USAID presented.
June	1987	Sub-component funding provided by USAID. Each sub-component will be required to set out its own implementation schedule which, along with other aspect of the sub-component, must be approved by the CAOA and USAID.

June	1987	Guidelines and procedures for assuring the ability to continue survey work presented to CAOA/USAID.
June	1987	Final report with recommendations for sub-component projects submitted to CAOA and USAID.
June	1987	Final evaluation of English language survey sub-component.
July	1987	Contractor departs.

f. Evaluation

Two types of evaluation will be expected under this component:

i. Evaluation of contractor performance vis a vis the development and use of plans and procedures for conducting a comprehensive survey of English language up-grading requirements in Egypt and for replicating such surveys in later years. The evaluation will also address the extent to which Egyptians have acquired the skills needed to develop useful plans for up-grading facilities. This evaluation will take place 17 months following the arrival of the contractor. It will be conducted by USAID and the GOE in a manner that assures congruence with other project evaluation components.

ii. Evaluation of performance under sub-components. The nature and timing of sub-component evaluations must be specified in all sub-component projects and appoved by USAID and the CAOA at the time that funding is provided. Evaluation of this type will normally be conducted at the mid-point and end of a component, but timing and substance of such evaluations will be dictated by the nature and pace of sub-component efforts. Such evaluations will be the responsibility of the GOE acting in collaboration with USAID and the participating organizations of the GOE which are receiving sub-component assistance. It is expected that CDELT will be afforded an evaluation role by the CAOA.

g. Conditions Precedent & Covenants

i. Initial Disbursement

Prior to any disbursement or to the issuance by AID of documentation pursuant to which disbursement will be made, the Cooperating Country shall, except as AID may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:

(a) A statement designating the Central Agency for Organization & Administration (CAOA) or an alternative agency suitable to USAID, as the project's principal counterpart agency for English language training, and will assure:

(i) that it has the power and authority to act as the nation's primary coordinator of all GOE agencies which must be involved in developing the capacity of Egypt to rationalize investments in English language training in Egypt ;

(ii) that the appointed coordinating and support agency will provide, if not already available, an office location and appropriate counterpart staff so that the technical assistance members and their counterparts can act as a team ; and

(iii) that the coordinating agency will act as the primary authority for approving USAID English training investments subject only to an annual approval by the Ministry of Planning and International Cooperation of the annual GOE/USAID training plan.

b. a statement of the names and titles, with specimen signatures, of the person or persons who will act as the representatives of the individual project component.

c. Such other documentation as AID may require.

ii. Additional Disbursements for Sub-Components

Prior to any disbursement or to the issuance by AID of documentations pursuant to which disbursement will be made for each individual sub-component activity, the Cooperating Country shall , except as AID may otherwise agree in writing, furnish to AID, in form and substance satisfactory to AID:

(a) Evidence that a Steering Committee involving the CAOA and the recipient institution has been established and its responsibilities have been outlined ;

(b) Statement of the names, titles and responsibilities of representatives of the receiving institutions.

(c) Such other documentation as AID may require.

iii. Covenant

The GOE will assure the participation of the private sector.

B. INSTITUTIONAL DEVELOPMENT: UP-GRADING THE CAPACITY OF THE GOE TO RATIONALIZE INVESTMENTS IN TRAINING

1. Background

The project makes provision for helping an appropriate Egyptian institution to better perform tasks associated with rationalizing investments in training; i.e., it is able to identify training needs; recommend cost effective training solutions and is able to identify and make use of individuals once trained.

The cooperative development by USAID and ministerial staff of training requirements characteristic of the seventies has given way to more direct control of such plans by the GOE. In line with current Egyptian attitudes concerning the more controlled use of external assistance, the Ministry of Planning and International Cooperation (presently the counterpart agency for all USAID training assistance) directed in March 1982, "...all Egyptian entities to prepare and submit to it annual training plans and that all ad hoc requests for non-project training be directed to the Ministry". While the organizational centralization of training requirements was desirable for planning purposes, full benefits from training did not occur, because procedures to assure uniformity of submission format and timeliness of submission are not fully developed and/or used; there is no central data base which permits requests for training to be measured in terms of the nation's existing human capital; and the Ministry of Planning and International Cooperation has innsufficient technical staff for fully reviewing the many and varied submissions to it. Consequently, the project will assure that an appropriate GOE agency has the institutionalized capacity to develop plans, monitor performance under them and insure consistency between them.

There is no adequate inventory of in-country training facilities, particularly as such facilities (public and private) are related to the administrative/technical training needs of the country. Consequently, parties to training (USAID and the GOE) may be sending Egyptians abroad when, in many cases: (1) in-country facilities may be adequate; and/or (2) scale alone would dictate the upgrading of local facilities rather than perpetuating overseas training. For USAID, whose current general training portfolio is restricted by ProAg to providing training only in the United States and whose Mission Order (3-22 of 7/31/81) states, "...training requests ... should be considered only when such training is not available in Egypt.", this means that we have not helped the Egyptians to establish a better informational base to permit them and us to implement our policy guidelines (i.e., optimization of Egyptian human capital by Egyptians).

Therefore, the project will attempt to assure that an appropriate Egyptian organization develops improved capacity to make such assessments, particularly for critical training needs identified through the development and use of training plans. Capacity will include the development and use of standardized procedures for measuring the type and quality of Egyptian institutional training capacity; staff changes, costs, etc.; the storage of such information and the periodic publication of it on a need basis.

Data concerning the whereabouts and availability of human capital in Egypt are not kept systematically, and their utility is not widely understood. Consequently, attempts to maximize human capital (e.g., as a resource that can feed into the improvement of in-country training facilities) are only marginally effective. This means that one of the two main manpower objectives of the GOE's development plan; i.e., "to achieve optimal utilization of human resources" is not

fully implementable. For USAID, it means that we may well be training individuals abroad when we and/or others have already trained sufficient numbers. (USAID probably trains no more than 40 percent of the Egyptians who annually go abroad for training under Egyptian, multilateral or other bi-lateral programs). Therefore the project makes provision for the development and use by Egyptians of a "talent bank"; i.e., an informational system that permits the GOE and private sector agencies to readily identify high and middle level expertise in Egypt (and quite possibly outside Egypt if the Indian Manpower Pool model is taken up by the GOE under the project) and individuals, in turn, to know of job opportunities throughout the public and private sectors.

In short, there is general agreement among all parties to the project (i.e., USAID, the CAOA and the MPIC) that to achieve the purposes of the project two things must be assured:

i. the project must have a GOE counterpart agency which is authorized, willing and able (in terms of its power to coordinate) to introduce, over time, appropriate measures for rationalizing investments in training; and

ii. that rationalization must include, among other things, the capacity to:
   a. systematically identify training needs;
   b. relate training requirements to existing human capital resources;
   c. assess the nation's in-country training capacity.

2. <u>Objectives</u>

The project will assist the GOE to institutionalize its capacity to rationalize investments in training and to make optimal use of

existing human capital. To accomplish this, the project will provide technical assistance, commodities and training to the Central Agency for Organization and Administration (and other GOE agencies as required) to:

- develop acceptable procedures for identifying training needs, assessing existing human capital and evaluating in-country training capacity;

- standardize accepted procedures into operational manuals;

- train appropriate staff to introduce standardized procedures;

- introduce the procedures on a pilot basis in a limited number of GOE agencies (central ministries and public sector enterprises), governorates and the private sector;

- revise procedures and manuals on the basis of the pilot effort; and

- develop a plan for the GOE to introduce finalized procedures on a nation-wide basis over time (i.e., beyond the expiry date of the project).

3. Outputs:

Specific outputs for the institutionalization component of the project are:

Table VIII
LOP Outputs

Items	Procedural Manuals Developed/ tested	People Trained to Use Procedural Manuals in CAOA	in Minis-tries	in Govern-orates	in other GOE and private Sector
i. Assessment of Manpower needs.	3	15	60	60	70
ii. Translating manpower needs into training requirements	3	15	60	60	70
iii. Presentation of agency training needs (annual	1	5	10	110	15
iv. Aggregating individual agency needs into national training plan	3	15			
v. Talent Bank system					
a. gathering data	1	5	5	5	10
b. standardizing data	1	5	5	5	10
c. storing data	1	5	5	5	10
d. accessing data	1	5	5	5	10
e. use of data in training plans	1	5	5	5	10
f. publication format	2	4			
vi. Assessing in-country training capacity (public and private)					
a. gathering data	1	4	20		10
b. ordering/storing data	1	4	20		10
c. analysing					
i. relevance					
ii. efficiency	2	8			
d. making analysis available	1	4			
vii. Assessing training alternatives (in-country vs. out-of-country	1	5			
viii. Development of national training budget					
a. in-country	1	5			
b. out-of-country	1	5			
	25	114	195	255	225

Note: Long-term TA will be allocated for the outputs as follows: 1 man for 34 months for items i-iv; 1 man for 34 months for item v; one man for 34 months for item vi; one man for 52 months for items vii and viii (team leader).

Ultimately the procedures and manuals developed will be introduced into all GOE agencies (using and/or offering training) with provision made for involving the private sector as both a user of human capital and, in some cases, a producer of human capital through private sector training programs. The project, however, will limit itself to the development and testing of required procedures/manuals on a pilot basis. Four or five ministries and governorates will be involved in the pilot study with provision made for piloting the involvement of the private sector. In the final one or two years of the project, depending upon the outcome of pilot efforts, the project will provide the GOE with a plan to implement desired outputs on a national scale.

4. Inputs:

i. USAID:

USAID will fund U.S. dollar and Egyptian pound costs of:

a. 154 months of long-term technical assistance (40 months in year one; 48 months in year two; 48 months in year three; twelve months in year four and six months in year five). The relationship of long-term technical assistance to achievement of project outputs is given as a footnote to Table VII.

b. 120 months of short-term tedchnical assistance the bulk of which is expected to be used within the first four years of the project.

c. Commodities necessary to meet data storage/retrieval requirements, office equipment, and provide for instructional materials and equipment necessary to carry out the training programs.

d. Training of two types: off-shore training to replace technical assistance by the end of the fifth year of the project and in-country training for a core staff at the COAR and in the pilot GOE agencies affiliated with the project.

The project will also supply funds necessary to assure adequate participation of part time staff necessary to the project's operation of the CAOA; e.g., communications, translation services, programmers, in accordance with GOE regulations.

ii. Government of Egypt:

The GOE will provide the following in-kind contributions:

a. office space sufficient for establishing a new office within the CAOA required to implement the institutionalization program;
b. appropriate counterparts and support staff; administrative, professional, and secretarial. At least two counterparts per outside technician will be appointed, as much as off-shore training for them is contemplated;
c. computer facilities available within the country. If leasing existing facilities is required, USAID inputs under (c-Inputs) can be used to pay for such costs; and
d. data will be made available to the project by appropriate GOE agencies.

5. Implementation

i. GOE

The GOE implementing agency will be the Central Agency for Organization and Administration acting in consort with the Ministry of Planning and International Cooperation and other GOE agencies as required (e.g., Ministry of Higher Education's Missions Department, CAPMAS, Ministry of Manpower).

USAID has been approached by the GOE's Central Agency for Organization and Administration (CAOA) for assistance to help it more effectively carry out its legal mandates. The CAOA was established (1977) and specifically charged with, "...studying the needs for manpower training in various professions and specializations, in collaboration with agencies concerned, ...aiding the personnel divisions in the various agencies, the training of their staff ... and follow-up recent developments in personnel matters." Over the last six years, the CAOA has developed its infrastructure by establishing offices in all central ministries, all government-owned businesses, all authorities and all governorates (some 200 offices in all) and works to regularize position classifications and work procedures. Its latest annual report (1983/84) states that "... the years to follow will undoubtedly be the years of training." While no one would argue that the CAOA has all the facilities to implement its mandates or that all Government of Egypt agencies will respond to its initiatives wholeheartedly, the fact is that the CAOA alone has the mandate to improve the civil service. It is to articulate the need for in-service training; arrange for pre- and in-service training (using universities, management centers and its own facilities); classify all jobs; approve all appointments and promotions and provide a host of other services directly related to improving productivity in the public sector.

While it has no authority to determine occupational training requirements in GOE agencies, it does have the authority and responsibility to review them and to assure that those selected for training get their training in the appropriate place (e.g., Egypt, a third country or U.S.); that such training does not duplicate already extant and available skills in Egypt; that it is obtained at minimum costs to the GOE and that, ultimately, the aggregate demand for public sector training is presented to national authorities for consideration in the overall educational investment portfolio of the nation.

CAOA's records of all civil servants can serve as the base for the development and use of a national "talent bank". It currently works with the private sector on an informal, ad hoc basis, but is willing to formalize its relations with the private sector in order to provide it with information about the availability of talent in Egypt and to obtain from the private sector information concerning its training facilities and capabilities (e.g., in tourism).

In short, the CAOA is charged with rationalizing public sector training, leaving the determination of specific manpower requirements up to GOE agencies themselves. The CAOA's mandate is not matched by means sufficient to effectively carry out all its mandates.

It is expected that the TA, training and commodity assistance provided to the CAOA for the purposes of rationalizing GOE investments in training (i.e., identifying who needs to be trained, where such training should take place and optimizing the use of individuals once trained will provide, over time, the necessary information inputs from the sectors that USAID will be working with.

While the aforementioned institutionalization efforts are directed toward assisting the GOE to rationalize all investments in training (GOE and donor), it is recognized that fulfillment of project objectives will take several years. While the process of institutionalization is going forward, efforts will be undertaken by USAID and the CAOA to provide greater developmental focus to USAID training inputs. In short, relations between the CAOA and USAID in the early years of the project should be looked upon as being pilot in nature; i.e., developing a set of policy and implementation procedures between the GOE and a donor agency which, when finalized, may serve as the model for other similar GOE/donor interfaces.

Pending the outcomes of the institutionalization component of the project; USAID and the CAOA will focus their relations primarily, but not exclusively upon providing greater focus for USAID non-project training activities in terms of sectors to be accommodated and the purposes for which training will be supported by USAID.

In developing and discussing the Concept Paper with USAID/Sector offices, the Ministry of Planning and the CAOA, there was general agreement that focusing was not only necessary but possible if developed along the following lines:

a. On an annual basis beginning in the second year of the project, the CAOA will compile its recommendations for sector emphasis and types of training required therein. Its recommendations would reflect CAOA consultations with the Ministry of Planning and International Cooperation (MPIC), GOE ministries and agencies, the private sector and USAID Cairo sector offices. Recommendations would be presented in the form of a draft national training plan with specific recommendations concerning which sectors/ functions and what kind of training therein USAID should sponsor.

b. USAID, acting through the Mission's Training Committee (made up of representatives from sector offices), will review the CAOA's draft training plan emphasizing the complementary non-project training needs required to enhance the attainment of specific USAID sector office/project objectives.

c. Acting together as a policy group, the aforementioned would reconcile their positions in the form of a set of recommendations for annual transmittal to MPIC (for its subsequent approval) in which sectors of concentration and types of training to be supported by USAID would be designated and USAID support in

relation to other training activities within the sectors be clearly visible. It is expected that once approved by MPIC, the CAOA would be the project's GOE implementing agency acting within the limits approved by the MPIC.

The deliberations would take into account the mutual need for entertaining ad hoc requests and would establish guidelines for accepting/rejecting requests from agencies falling outside the priority sector areas. Due consideration for the private sector will be given. This procedure is not unknown to USAID or the GOE. In fact, interaction between USAID sector offices and GOE agencies on a range of issues broader than specific project concerns (e.g., non-project training) was more the rule than the exception up until 1982. Prior to 1982, the development of GOE training needs to which USAID responded benefited from decentralized interaction between USAID sector offices and other GOE counterparts. From mid-1982 on, the determination of needs was centralized in the Ministry of Investment and International Cooperation. We will, therefore, be returning to a more decentralized situation in which training opportunities are more demand driven than supply driven - a mode in which the non-project training portfolio of the office of Education and Training will be largely determined in the light of GOE needs as express in the 5-Year Plan, USAID sector office concerns, and a more direct dialogue with GOE Ministries.

In discussions with the CAOA, it was agreed that the USAID non-project training program should focus on a far narrower range of training:

a. It should move away from responding to individual requests and should seek to focus on clusters of requirements. Clusters might be defined vertically. That is training senior, middle level and lower level individuals within a particular ministry/agency (e.g., water-waste-water requirements suggested the need for

training at all levels some of which will be accommodated within the sector office project, some of which can and should be trained from non-project training AID resources and some of which will be met from outside resources; e.g., GOE. Another cluster example might be horizontal; e.g., to train a similar group of individuals from several key development sectors (e.g., economists from the Ministries of Finance, Agriculture, Private and Public Banking Institutions).

b. It should take into account sector office pre-project requirements in order to assure more rapid and effective start up.

c. It should take into account residual training needs that emerge within projects at a time when they cannot be taken up within the existing PACDs of such projects.

d. It should give emphasis to assisting the GOE to increase its own in-country capacity (e.g., training the trainers) in order to minimize the cost of training and maximize the numbers benefitting from USAID training inputs.

e. It should make specific provision for appropriate English language training: (1) to prepare individuals to take up study; (2) to meet the broader English language needs of Egyptians who will not necessarily travel abroad but will need language skills for further study in Egypt, or are in positions in Egypt where knowledge of English is necessary to perform well.

USAID and the CAOA, working together (i.e., determining sectors of operation and functions) will permit the non-project training portfolio plan of the Mission to be viewed and developed in the light of overall sector training needs and solutions (e.g., GOE training, other donor training, USAID project specific training). The annual

plan will be rolling in nature. It will be formulated a year in advance, allowing time to complete placement, funding, and English preparation. Earlier projects attempted to determine at the PP stage the mix of sectors and kinds of people to be trained for the entire duration of the project; a task that was not possible at the time because there were no data from which to work nor any GOE organization to work with. Consequently, projects provided training opportunities for all kinds of training and for all GOE Institutions. The proposed project provides for committee mechanisms to enhance the relationship between non-project training efforts and the attainment of mutually and annually agreed upon sector specific development objectives.

ii. USAID:

The GOE has requested that the institutionalization component of the project be implemented under a direct USAID contract with a U.S. institution. Following the obligation of funds, the Office of Education and Training will be responsible for developing a contractor scope of work and the necessary Request for Proposal (RFP) which will be submitted to the counterpart agency (CAOA) for its approval. Subsequently, primary responsibility for monitoring the program of performance will lie with USAID's Office of Education and Training.

6. Implementation Schedule

Date	Major Actions
July 1985	Project Agreement executed.
August 1985	Draft contract and RFP presented to CAOA for its review and approval.
September 1985	RFP approved and sent to CS/USAID/CAIRO.

January 1986	Contractor selected.
February 1986	Contractor team arrives in Egypt.
February 1986	Four overseas trainees selected and depart to U.S. for training.
March 1986	Detailed work plans and equipment, personnel and training requirements for two years submitted to CAOA and USAID for joint approval.
March 1986	Pilot GOE participating agencies selected.
September 1986	First draft training plan submitted to CAOA/USAID for review and approval.
October 1986	First annual training plan submitted to MPIC for 1987 USAID training activities.
November 1986	Draft procedures and operational manuals submitted to CAOA and USAID.
January 1987	Contractor performance evaluated by USAID and CAOA.
June 1987	Talent Bank operational
June 1987	In-country training assessment report produced.

June 1987	Training report submitted.
September 1987	Second Annual National Training Plan submitted to CAOA and USAID for approval.
October 1987	Second Annual Training Plan submitted to MPIC.
January 1988	First comprehensive project evaluation.
February 1988	Project revised on the basis of the evaluation. New Implementation Plan if necessary.
February 1988	First four participants return and second four depart for training in U.S.
October 1988	Third Annual National Training Plan submitted to MPIC.
January 1989	Second in-house evaluation by USAID/CAOA.
October 1989	Fourth Annual National Training Plan submitted to MPIC.
February 1990	Four participants return from U.S. All pilot training completed and evaluated.
June 1990	All contract staff departed.

October 1990	Fifth Annual Training Plan submitted to MPIC.
January 1991	Full project evaluation.
February 1991	Plan for full implementation within GOE presented to CAOA/MPIC.
March 1991	PACD

7. Evaluation Plan

The institution building component, along with the upgrading of in-country training facilities, will receive the most attention under the project's evaluation program. Baseline data is currently available on staff quality, procedures being used to develop training plans, the plans themselves (comparability, quality, timliness), and the use of available talent in the country. Evaluations will be conducted in years three and five of the project by joint USAID-GOE teams with some external expertise. The teams will review the quality of the planning process and evaluate whether the Central Agency for Organization and Administration (CAOA) has institutionalized its capacity to support both public and private sector training efforts. User surveys will be conducted to assist in the evaluation of CAOA's responsiveness to training institutions' needs.

Because institutionalization of the planning/management capacity of the CAOA entails restructuring relations between GOE agencies and altering existing authority and responsibility patterns for making investment decisions in human capital, there is the very real possibility that estimates of the time (PACD) and assistance required to accomplish desired institutional changes may be inaccurate. Therefore, evaluations should carefully and explicitly examine the validity of time and financial support assumptions set down at the beginning of the project.

The evaluation of the upgrading of in-country training facilities will concentrate on cost-benefit analysis of in-country versus other training options and the replicability of the improvements introduced under the project. This evaluation will be performed by a team composed of Egyptian consultants and USAID staff during the fourth year of the project life. The team should attempt to identify low-cost, effective approaches to in-country training based on the project's experience.

8. Financial Plan:

The total amount required to fund the institutionalization component is $8,492,000 of which $7,500,000 will be provided by USAID and the balance of $992,000 by the GOE. AID's inputs will be:

- $2,311,000 to fund 154 months of long-term technical assistance
- $2,046,000 to fund 120 months of short term technical assistance
- $ 550,000 to provide 96 months of long-term training in the U.S.
- $ 350,000 to provide in-country training for some 700 Egyptians
- $ 900,000 for commodities
- $ 191,000 for local support costs (e.g., incentives and overtime)

The project also makes provision for $300,000 for use in connection with evaluations and audits. A contingency fund of $852,000 if also provided for. Of the total USAID contribution 59% will be used to meet U.S. dollar costs and the balance of 41% will be used to meet local pound costs associated with the operation of the project. Long-term training in the U.S. includes transport costs as a dollar cost. In the event that the FT 800 account is funded and air fares and local project costs are met from it, the dollars released will be programmed to other parts of the total project as mutually agreed upon. Re-programming will be accomplished by PIL. Tables IX and X provided financial information for the institutionalizataion project component.

TABLE IX

Institution Building - Expenditures - U.S./GOE by FY
(000s)

Items	85/86		86/87		87/88		88/89		89/90		90/91		Total	
	AID	GOE	AID	GOE	AID	GOE	AID	GOE	AID	GOE	AID	GOE	AID	GOE
Technical Assistance														
Long-term	532	20	700	22	770	24	212	27	97	30	-	33	2311	156
Short-term	480	10	485	11	533	12	165	13	181	15	202	16	2046	77
Training														
Off-shore (1)	50	10	110	11	182	12	134	13	74	15	-	17	550	78
In-country	50	10	100	11	100	12	[illegible]	15	25	28	-	31	350	107
Commodities	100	75	800	82	-	90	-	99	-	109	-	119	900	574
GOE Local Support (2)	25		27		30		33		36		40		191	
Eval./Audit					50	-					250		300	-
Sub-total	1,237	125	2,222	137	1,665	150	619	167	413	197	492	216	6,648	992
Contingency	100	-	110	-	121	-	133	-	187	-	201	-	852	-
Total	1,337	125	2,332	137	1,786	150	752	167	600	197	693	216	7,500	992

(1) Includes air fare as a $ cost.
(2) Incentives/overtime.

TABLE X

Institution Building - AID U.S. Dollar and LE Expenditures by FY
(000s)

Items	85/86		86/87		87/88		88/89		89/90		90/91		Total	
	$	L	$	L	$	L	$	L	$	L	$	L	$	L
Technical Assistance														
- Long-term	332	200	438	262	491	279	133	79	61	36	-	-	1,455	856
- Short-term	300	180	303	182	333	200	103	62	113	68	126	76	1,278	768
Training														
- Off-shore	50	-	110	-	182		134		74		-		550	-
- In-country		50		100		100		75		25				350
Commodities	100		800										900	-
GOE local Support		25		27		30		33		36		40		191
Eval/Audit					50						250		300	
Sub-total	782	455	1,651	571	1,056	609	370	249	248	165	376	116	4,483	2,165
Contingency	100	-	110	-	121	-	133	-	187	-	201	-	852	
Total	882	455	1,761	571	1,177	609	503	249	435	165	577	116	5,335	2,165

9. Conditions Precedent and Covenanats

i. Conditions Precedent

Prior to any disbursement or to the issuance by AID of documentation pursuant to which disbursement will be made, the Cooperating Country shall, except as AID may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:

a. A statement of the names and titles, with specimen signatures, of the person or persons who will act as the representatives of the individual project component.

b. A statement designating the Central Agency for Organization and Administration (CAOA) or an alternative agency suitable to USAID, as the project's principal counterpart agency and will assure:

(i) that it has the power and authority to act as the Nation's primary coordinator of all GOE agencies which must be involved in developing the capacity of Egypt to rationalize investments in training and the use of Egyptians once trained.

(ii) that the appointed coordinating and support agency will provide, if not already available, an office location and appropriate counterpart staff so that the technical assistance members and their counterparts can act as a team.

(iii) that the coordinating agency will act as the primary authority for approving USAID training investments subject only to an annual approval by the Ministry of Planning and International Cooperation of the annual GOE/USAID training plan;

c. Such other documentation as AID may require.

ii. Covenants

The GOE will assure the participation of the private sector.

C. UP-GRADED IN-COUNTRY TRAINING CAPACITY

1. Background

The project makes provision for up-grading the capacity of adequate but fledgling Egyptian training institutions (university and non-university; public and private) so that, over time, such institutions can play a more effective role in meeting the nation's human capital requirements.

USAID/Cairo has traditionally spent more money on training Egyptians out-of-country than in-country. For the period 1976-82, some $74 million was programmed for training abroad, while approximately $68 million was programmed for in-country training. The former permitted training some 4,000 individuals, the latter (in-country) entailed training for some 90,000 Egyptians. Certain patterns have become apparent:

i. While the duration and purpose of training among and between both in-country and out-of-country training programs vary greatly, certain common critical training requirements have emerged, particularly in the areas of management/administration, analysis and evaluation. In both in-country and out-of-country programs, approximately fifty percent of the programs provided have been in or more of the aforementioned fields;

ii. there is growing recognition that many of the Egyptians requiring training are incumbent civil servants who, given the paucity of qualified administrators/managers, cannot be released from their positions for sufficient time to take advantage of overseas opportunities. In recognition of this fact, the GOE has since 1976 developed several institutions to provide in-country training (e.g., Sadat Academy, Institute of National Planning, Development Research and Technological Planning Center/Cairo University) and the CAOA, itself, has been forced to give such programs on a part time basis to civil servants; and

iii. there is a greater concern on the part of both the GOE and USAID concerning the relative costs of training in-country and out-of-country. While there is agreement that some professional/technical training must take place outside of Egypt (because, in many cases, the costs of instructional/research infrastructure (e.g., labs) are enormous), there is a growing awareness that some common critical areas can and should be accommodated within the country. In short, economies of scale dictate that training in-country may, in several key areas, be the most cost-effective solution to meeting training needs.

2. Objective

This component of the project will help the GOE to increase the quality and/or coverage of its own instructional capacity. Where economies of scale dictate that training in-country is the most cost-effective solution and where an appropriate Egyptian training institution has been identified, the project will provide assistance as indicated in the input section of this component of the Project Paper.

To increase Egyptian institutional capacity two informational/procedural elements must be established:

i. a central GOE agency must be able to develop national training plans periodically so that the common, critical training requirements can be identified and scale determined; and

ii. some GOE agency must have the capacity to assess existing in-country training agencies and systematically lay out requirements for improving and/or expanding capacity in a manner that permits implementation to go forward.

The institutional development component of the project makes provision for assisting the GOE to develop and use the aforementioned elements. That is, provision is made for developing national education/training plans from which common, critical training needs can be identified and in-country training assessment capacity will be accommodated.

The project does not make provision for starting new training centers in Egypt. Rather the project intends to assist fledgling institutions which already exist in the country; although feasibility studies could be undertaken if mutually agreed to by the GOE and the USAID. An example of the kind of support envisaged is the recently approved grant (to be funded under 0026) to assist the Institute of National Planning (INP) in the Ministry of Planning to improve its program for training GOE senior staff in the use of economic analysis for both policy and program development. Technical assistance, commodities and training are to be provided to the INP under a grant to a consortia of U.S. institutions.

3. Outputs

While specific outputs are difficult to predict because common critical needs and the assessments of existing in-country training programs/institutions will take place during the first year to year and a half of the institutionalization component of the project, the following outputs are likely.

Table XI

LOP Outputs

Items	Numbers
i. Institutions Up-Graded (1)	10
ii. Procedure developed for specifying up-grading requirements and individuals trained to use the procedure.	1
iii. Curricula Developed and/or Revised	50
iv. Libraries developed and stocked to meet instructional/research needs of institutions	10
v. Instructional/administrative staff trained	
(a) long-term academic (2)	60-80
(b) short-term training	100-120

Notes: (1) Institutions does not necessarily reflect an entire institution up-graded. It may well mean up-grading a program within an institution.

(2) Long-term academic means doctoral or post doctoral training, the nature of the program depending upon the background of the individuals and the roles they will be expected to play when they return.

4. Inputs

i. USAID:

USAID will fund the U.S. dollar and Egyptian pound costs of:

a. Two hundred four months of long-term technical assistance (8 months in year one; 24 months in year two; 48 months in year three; 60 months in year four; 48 months in year five; 12 months in year 6). The relative distribution of the use of long-term technical assistance may vary depending upon the size, timing and nature of up-grading efforts.

b. One hundred eighty two months of short-term technical assistance the bulk of which will be used between years 2-5.

c. Commodities necessary to meet the instructional materials requirements incidental to the enlargement and improvement of in-country training capacities. It is expected that most of the commodities and equipment required will be purchased off-shore.

d. Training of two types: Off-shore training to up-grade Egyptian staff and to replace technical assistance and short-term training (3/5 off-shore and 2/5 in-country).

The project will also supply funds necessary to assure adequate participation of GOE instructional staff as well as translation services and appropriate incentive payments for GOE staff assigned as counterparts to the project in accordance with GOE regulations.

ii. Government of Egypt:

The GOE will provide the following in-kind contributions:

a. Office space sufficient for assuring appropriate working conditions for both project and GOE staff assigned to up-grading tasks in Egyptian institutions.

b. Appropriate counterparts and support staff; administrative, professional and secretarial. At least two counterparts for outside technician will be appointed.

c. Computer facilities available within the country.

d. Data necessary to enhance the instructional programs will be provided to the project by the appropriate GOE agencies.

5. Implementation

i. GOE

The GOE implementing agency will be the Central Agency for Organization and Administration, acting in consort with the Ministry of Planning and International Cooperation (MPIC) and the parent organizations of the training agencies to be up-graded.

The following steps will be involved in implementing this component of the project:

- the need for training in-country and assessment of existing in-country capacity will be assessed in conjunction with project efforts under the institutionalization component of the project.

- when a need and a place have been identified by the CAOA, an up-grading plan will be developed by the institution to be served, working in conjunction with staff of the CAOA and the contractor. The plan must detail current status and capacity, desired program and capacity and provide a clear statement of what is required (staff training, technical assistance, curriculum development, supplies, equipment, etc.) to achieve desired delivery capacity. In the event that the proposed recipient organization needs assistance to develop an up-grading plan, they may also draw down on the short-term technical assistance provided under this component.

- when the plan is received, reviewed and approved by the CAOA, USAID, MPIC and the recipient agency, a determination will be made as to whether the up-grading should be solicited competitively locally, in the U.S., or both. A PIL would be written, for example, and the competitive procedures agreed upon instituted.

- a steering committee involving the CAOA, the contractor and the recipient agency must be set up for each sub-project.

The CAOA will be supported in this component by a U.S. contractor. It is expected that contractor services will be provided as part of the prime contract with funds coming from the up-grading component. The contractor will be expected to provide a resident individual who will work with the CAOA and the receiving agencies to develop the aforementioned up-grading plans. He/she will also be expected to develop the RFP statements for the CAOA and to act, along with his counterpart from the CAOA, as a project officer to facilitate up-grading activities under the several sub-project up-grading activities.

Sub-contracts/grants let for up-grading will be developed in accordance with USAID and GOE procurement procedures. The prime contractor will be expected to monitor and evaluate sub-contractor/grantee performance reporting to USAID and the CAOA at times to be determined when sub-contracts/grants are developed.

ii. USAID

The GOE has requested that efforts under the up-grading component be implemented under the same direct USAID contract that will be negotiated to support the institutional development component of the project. The prime contractor will be expected to place one resident individual in Egypt to work with CAOA staff in developing up-grading plans and overseeing the implementation of sub-contracts/grants. The activities for the resident individuals and 20 person months of short-term technical assistance will be assigned to the prime contractor's scope of work and funds will be provided from the up-grading component to pay for such services. All other funds for up-grading will not be included in the prime contract.

Following the obligation of funds, USAID's Office of Education and Training will be responsible for developing the contractor's scope of work as part of the prime contract under the institutionalization component of the project. While USAID's Office of Education and Training will be responsible for monitoring all actions under the direct USAID contract, the contractor and the CAOA, in cooperation with USAID, will be responsible for monitoring contractor performance under all sub-contracts/grants.

6. Implementation Schedule

Date	Major Actions
July 1985	Project Agreement executed
August 1985	Draft contract and RFP presented to CAOA for its review and approval

September 1985	RFP approved and sent to AID/W
November 1985	Contractor selected
January 1986	Up-grading contract staff member arrives in Egypt
February 1986	Ten long-term participants depart Ten short-term participants depart
July 1987	Up-grading plans presented to CAOA and USAID for approval
August 1987	First up-grading sub-contracts advertised
October 1987	Up-grading sub-contracts let (departure of participants long-term and short-term will be determined under sub-contracts)
March 1988	Up-grading component evaluated
October 1990	Final Evaluation of component completed. Contractor departs
January 1991	Final participants return to Egypt
March 1991	PACD

7. Evaluation

Two types of evaluation will be expected under this component:

i. Evaluation of contractor performance vis a vis the development and use of plans and procedures for setting out up-grading requirements to include the adequacy of the instructional programs related to using such plans. This evaluation will take place in the third and final years of the project and will be conducted by USAID and the GOE in a manner that assures congruence with other project evaluation components (i.e., timing and content).

ii. Evaluation of performance under the sub-projects of this component. Emphasis will be given to cost-benefit analysis, cost-effectiveness and the replicability of improvements introduced under the

sub-project. At the time sub-projects are mounted, base line data will be gathered to that appropriate quantitative measurements may be made during evaluations. Each sub-project must contain specific, detailed evaluation plans. Evaluations will normally be conducted two to three years after the commencement of a sub-project activity, but timing and substance of such evaluations will be dictated by the nature and pace at which the project is able to mount sub-projects. Evaluations will be the responsibility of the GOE acting in collaboration with USAID and the participating organizations of the GOE which are receiving sub-project assistance.

8. Financial Plan:

The total amount required to fund the instructional up-grading component of the project is $22,247,000 of which $20,500,000 will be provided by USAID and the balance of 1,747,000 by the GOE. AID's inputs will be:

- $3,487,000 to fund 204 months of long-term technical assistance
- $3,000,000 to fund 182 months of short-term technical assistance
- $4,000,000 to fund commodity procurement
- $5,261,000 to fund 200 person years of long-term training in the U.S.
- $2,526,000 to fund 550 person months of short-term training

The project also makes provision for $200,000 for use in connection with evaluations and audits. A contingency fund of $2,026,000 is provided. Of the total USAID contribution, 83 percent will be used to meet U.S. dollar costs and the balance of 17 percent will be used to meet local pound costs associated with the operations of the project. Training includes transport costs as dollar costs. In the event the FT 800 account is funded and air fares and/or other local project costs are met from it, the dollars released will be programmed to other components of the total project as mutually agreed upon. Re-programming will be accomplished by PIL. Tables XII and XIII provide financial information for the in-country instructional up-grading component.

TABLE XII

Up-Grading In-Country Training Institutions
AID-U.S. Dollar and LE Expenditures By FY
(000s)

Items	85/86		86/87		87/88		88/89		89/90		90/91		Total	
	$	L	$	L	$	L	$	L	$	L	$	L	$	L
Technical Assistance														
- Long-term	80	40	225	127	512	256	750	315	640	300	150	84	2365	1122
- Short-term	200	184	330	281	305	282	320	273	325	274	150	106	1600	1400
Commodities	100		200		1100		1100		1100		400		4000	
Training														
- Long-term	200		660		1210		1350		1188		653		5261	
- Short-term	125	50	250	136	270	154	300	166	325	187	350	213	1620	906
Eval/Audit					50						150		200	
Sub-Total	705	274	1635	544	3455	692	3820	754	3578	761	1853	403	15046	3428
Contingency	100		200		450		500		500		276		2026	
TOTAL	805	274	1835	544	3905	692	4320	754	4078	761	2131	403	17072	3428

TABLE XIII

Up-Grading In-Country Training Institutions
Expenditures U.S. and GOE By FY
(000s)

Items	85/86		86/87		87/88		88/89		89/90		90/91		Total	
	AID	GOE	AID	GOE	AID	GOE	AID	GOE	AID	GOE	AID	GOE	AID	GOE
Technical Assistance														
- Long-term	120	10	352	22	776	48	1065	53	940	58	234	58	3487	249
- Short-term	384	15	581	22	587	24	593	26	599	29	256	15	3000	131
Commodities	100	50	200	100	1100	200	1100	200	1100	200	400	200	4000	950
Training														
- Long-term	200	10	660	33	1210	55	1350	62	1188	59	653	44	5261	263
- Short term	175	10	386	22	424	25	466	28	512	32	563	37	2526	154
Eval/Audit					50						150		200	
Sub-Total	979	95	2179	199	4147	352	4574	[illegible]	4339	378	256	354	18474	1747
Contingency	100		200		450		500		500		276		2026	
TOTAL	1079	95	2379	199	4597	352	5074	369	4839	378	2532	354	20500	1747

9. Conditions Precedent and Covenants

i. Conditions Precedent

a. Initial Disbursement

Prior to any disbursement or to the issuance by AID of documentation pursuant to which disbursement will be made, the Cooperating Country shall, except as AID may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:

(i). A statement of the names and titles, with specimen signatures, of the person or persons who will act as the representatives of the individual project component.

(ii). Such other documentation as AID may require.

b. Additional Disbursements

Component Activities

Prior to any disbursement or to the issuance by AID of documentation pursuant to which disbursement will be made for each individual component's Phase II activities, the Cooperating Country shall, except as AID may otherwise agree in writing, furnish to AID in form and substance satisfactory to AID:

(i). Evidence that a Steering Committee involving the CAOA and the recipient institution has been established and its responsibilities have been outlined;

(ii). statement of the names, titles and responsibilities with specimen signatures of representatives of the receiving institutions;

(iii). Such other documentation as AID may require.

ii. Covenants

The GOE will make every effort to permit private sector involvement.

IV. TECHNICAL ANALYSES

A. SOCIAL SOUNDNESS ANALYSIS

i. Sociocultural Feasibility

a. Compatibility of the Development Training Project with the Sociocultural and Political Environment.

The Development Training Project is compatible with the sociocultural and political environment because it fits into the manpower objectives of the GOE Five Year Plan. These objectives address the need for "manpower development both quantitatively and qualitatively, with strong emphasis on improving productivity and performance." (GOE Five Year Plan, p. 116)

Activities under the project will address the acute shortages of middle and upper level planning, management and technical personnel in many fields. There will also be a focus on assisting the GOE to make more effective use of existing trained manpower.

b. Compatibility of the Development Training Project with Existing Organizational Structures.

The Central Agency for Organization and Administration (CAOA) is responsible for rationalizing public sector training. This organization is specifically charged with studying the needs for manpower training in various professions and specializations, helping the personnel divisions in various agencies, training their staffs, and providing follow-up in personnel matters (Development Training PID, USAID/Egypt, 1984).

Selection of candidates for training, appropriateness of selection sites, and the relevance of the training to manpower needs is part of the mandate of the CAOA. Presently, however, this mandate is not matched by resources sufficient to permit it to effectively carry out all the functions under this mandate.

The Development Training project is designed to strengthen the capacity of the CAOA. It is therefore, compatible with the organizational structure of the GOA institution charged with rationalizing public sector training.

ii. Participation

The two most important questions under participation are: 1) what criteria will be used to select candidates and 2) how will prospective participants be identified?

A practical way of addressing these questions would be to turn to the procedures used in the Peace Fellowship Program. Under that program, two general procedures were designed to identify qualified candidates, both based upon a public announcement of the program. One procedure applied to the ministries, public sector firms and universities, and the other to private sector firms and individuals who did not fall immediately into one of the other categories.

Ministries, public sector firms, and universities publicly announced the program through internal channels prior to each round of selection. Applications were available to all who requested them from the scholarship units of each of those institutions. At the same time, the Ministry of Higher Education publicly announced the availability of the fellowships to private sector employees and other individuals not affiliated with the universities, ministries or public sector firms.

Ministries, public sector firms and universities were required to present a minimum of two candidates whose qualifications were reasonably balanced for each fellowship. This requirement was met through a process of "in-house" review and ranking of applicants. Within the ministries and public sector firms, this review was conducted by committee.

The final step in this process was presentation of the files of all applicants to a selection committee where decisions would be made on the basis of a predetermined set of criteria. The criteria list included, for example, the following set of considerations:

- the prospective participant's age (a maximum of 35 years of age with preference given to those under 30 years of age);
- the prospective participant's professional competence as measured by academic or work records; and
- the prospective participant's English language proficiency or potential to develop adequate English language skills within the time frame set by the project.

In addition to addressing the questions of selection criteria and identification of prospective participants, this project will place important emphsis on pre-training orientation programs. Efforts will be made to involve both participants and their supervisors as much as possible in planning the training. Similarly, participants will be given as much information as possible concerning both technical and non-technical aspects of their programs. (Characteristics and Utility of USAID Participant Training Programs for Egyptians, Final Report on Evaluation of Participants Returning Between 1975 and 1983, AMIDEAST, August 1984).

iii. Beneficiaries/Impact on Women

The direct beneficiaries of this project are the individuals and organizations which receive the services, commodities and training/exchange visits under the project (13,000-15,000 persons). The intermediate beneficiaries of the project will be those people directly served by the organizations receiving assistance under the grant. These beneficiaries will perforce include those important to the economic, social and political development of Egypt. Indirectly, benefits will accrue to the nation as a whole, as development programs become more effective through being better conceived and administered.

The rate of female participating in USAID participant training activities has increased steadily. Under previous projects, approximately 8 percent of participants were women. A recent evaluation of training activities has shown a rise in the participation of women to 20 percent. While this increase is commendable, it is not much better than the national figures for Egypt - women constituted approximately 18 percent of those receiving overseas training in 1979. Consequently, under the participant training components of this project, USAID will set a target of 30 percent female participation by the end of the project life.

The project will make a special effort to recruit female participants for the in-country training activities. Since women often have other commitments that constrain their ability to spend considerable time overseas in training programs, in-country training provides an opportunity to give larger numbers of women access to skills development. USAID has had very favorable experiences with in-country training targeted at women under the Vocational Training for Productivity Project (263-0090.2) and the Agricultural Management Development Project (263-0116). USAID will set a target of 35 percent female participation in training activities sponsored in Egypt.

iv. Potential Obstacles to Full Realization of Project Goal.

a. Inappropriate Training Programs

Inappropriate training programs will diminish significantly the cost effectiveness of any training program; in-country or off-shore. One of the findings of the AMIDEAST 1984 evaluation was that a major complaint repeatedly voiced by returned participants has been that knowledge gained in the course of their training programs is not applicable or relevant to Egypt. The recommendation is that greater attention be given to holding in-country bilingual training programs employing local experts as well as instructors from the United States. This project addresses the problem. Complementary to mounting in-country training programs will be specific efforts to stress practical and hands-on training in tandem with classroom and theoretical lectures. Content of training programs will be mapped in accordance with existing and future manpower needs of key development institutions in the country.

b. Inadequate Follow-Up of Training and Trainees.

Inadequate follow-up of training and trainees will also diminish the impact of a major development training program. Effective follow-up involves, at the very minimum, a system for tracking the career development of returned participants. The strengthening of the CAOA under this project should provide the information bank necessary to increase the ability of government agencies and other employers to find individuals with the skills they require and, thereby, the likelihood that returned participants will be more fully and effectively utilized in the private sector or government, not necessarily in their parent organizations or agencies.

Another finding of the AMIDEAST 1984 evaluation is that the majority of those Egyptians trained between 1975 and 1983 reported that they received no journals or other materials after return from their training programs. With regard to providing professional support, the project will provide a mechanism for the creation of associations of returned participants. These associations could organize lectures, seminars and workshops as the mechanism for returned participants to share experiences, exchange professional concerns and problems and keep abreast of new opportunities for career advancement.

This project quite rightly includes a component whose objective is the establishment of active follow-up in the form of improved professional associations for like - trained participants.

B. ECONOMIC ANALYSIS

A major objective of the USAID program in Egypt is to assist the Government to increase the productivity of the economy. Although precise estimates are not available, due to severe data deficiencies and market distortions, it is generally assumed that overall productivity has either declined, or is stagnent at best.

Significant distortions have been introduced into the productive sectors of the economy, in the form of subsidies and price controls. Although some progress has been made by the GOE in removing these distortions, particularly in agriculture, much of the unsustainable industrial activity remains.

Up-grading the level of human capital, through the activities under this project will make a significant contribution to improving the management and technical skills within the GOE.

The up-grading of these skills, particularly from the U.S., will move the management of the Egyptian economy towards a more rational and cost effective management system at the national level, and more technically competent management and operations at the departmental or plant operations level.

The above are the major benefits from the project. It is not possible to quantify these benefits because the movement towards economic liberalization and efficiency comes from many sources. The annual subsidy bill alone in Egypt is estimated at nearly $5 billion.

Another benefit from the project will be the increased earnings of the recipients of the training. These will be a function of GOE civil service regulations, except for those participants that move into the private sector. Shadow pricing of the wages of civil servants in Egypt will not be attempted here.

It is assumed that the benefits as described will be greater than the opportunity cost of capital.

C. FINANCIAL ANALYSIS

The total estimated project expenditures of $125 million and sources of financing (AID/GOE) by fiscal year are shown in Table XIV. The USAID grant will finance 87 percent of estimated costs, including all technical assistance, off-shore training, all off-shore commodities and some local, some local support costs, project evaluations and audit and contingency reserves. The GOE will finance the remainder, largely in the form of institutional overhead, salaries Attendance fees, local equipment and supplies and in-country transport costs.

assistance, off-shore training, all off-shore commodities and some local, some local support costs, project evaluations and audit and contingency reserves. The GOE will finance the remainder, largely in the form of institutional overhead, salaries Attendance fees, local equipment and supplies and in-country transport costs.

Foreign exchange will be required for an estimated 18 percent of project costs and will be provided out of the AID grant. All GOE contributions, with the exception of GOE support for the operations of the Missions Department (Peace Fellowship Agency) in the U.S., will be local currency costs. It is recommended that Egyptian currency requirements to be born by USAID under the project be purchased with U.S. dollars, since all U.S. owned local currency has been programmed. In the event that Egyptian pounds are made available to the project (e.g., FT 800) to meet local currency costs, the dollars released will be reprogrammed in accordance with agreements arrived at between USAID and the GOE. In most cases, reprogramming will be accomplished by PIL. AID grant funds will be available for U.S. and Egyptian commodity and services procurement under normal source and origin requirements.

Table XV provides aggregate AID expenditures in dollars and Egyptian pounds by fiscal year. Detailed component expenditure figures are given in the financial section of each component. In all cases, a 10 percent p.a. inflation factor has been used.

The distribution of USAID costs by project component and by type of input are given in Table XVI along with the relative distribution of costs.

The proposed LOP obligation schedule is given in Table XVII.

The basis for estimating costs for participants was provided by AID/Washington (Notice 85-6 dated 4/10/85: 1985 Monthly Budget Planning Figures for U.S. Participant Training) and the estimates of costs for long-term and short-term technical assistance were provided by the Office of Financial Services, USAID/Cairo. Local currency requirements are given using a rate of 0.83.

The illustrative financial plan for FY 85-6 is given in Table

TABLE XIV

AID and GOE Expenditures by FY(1)
(000s)

Project Components	85/86		86/87		87/88		88/89		89/90		90/91		Total	
	AID	GOE	AID	GOE	AID	GOE	AID	GOE	AID	GOE	AID	GOE	AID	GOE
. Training														
· Peace Fellows	50	50	6470	1265	7296	1401	7726	1540	8558	1696	9730	1850	39830	7802
· Non-project TRG	100	-	3160	450	3520	475	3780	540	4090	585	4600	630	19250	2680
· English Language	198	23	2301	338	4562	490	4772	551	3393	657	3227	721	18453	2780
. Institution Building	1237	125	2222	137	1665	150	619	167	413	197	492	216	6648	992
. Up-grading in-country Institutions	979	95	2179	199	4147	352	4574	369	4339	378	2256	354	18474	1747
Sub-Total	2564	293	16332	2389	21190	2868	21471	3167	20793	3513	20305	3771	102655	16001
Contingency	470	-	695	-	1191	-	1468	-	1477	-	1044	-	6345	-
TOTAL	3034	293	17027	2389	22381	2868	22939	3167	22270	3513	21349	3771	109000	16001

(1) All figures have a 10 percent p.a. inflation factor included.

TABLE XV

AID Expenditures: U.S. dollar and LE by FY(1)
(000s)

Items	85/86		86/87		87/88		88/89		89/90		90/91		Total	
	$	L	$	L	$	L	$	L	$	L	$	L	$	L
1. Training														
- Peace Fellows	-	50	6415	55	7236	60	7660	66	8486	72	9650	80	39447	383
- Non-project TRG	100	-	2135	1025	2395	1125	2555	1225	2765	1325	3175	1425	13125	6125
- English Language	112	86	1328	973	2836	1726	2950	1822	2242	1151	2145	1082	11613	6840
2. Institution Building	782	455	1651	571	1056	609	370	249	248	165	376	116	4483	2165
3. Up-grading in-country institutions	705	274	1635	544	3455	692	3820	754	3578	761	1853	403	15046	3428
Sub-Total	1699	865	13164	3168	16978	4212	17355	4116	17319	3474	17199	3106	83714	18941
Contingency	470	-	695	-	1191	-	1468	-	1477	-	1044	-	6345	-
TOTAL	2169	865	13859	3168	18169	4212	18823	4116	18796	3474	18243	3106	90059	18941

(1) All figures have a 10 percent p.a. inflation factor included.

TABLE XVI

Estimates of U.S. Project Inputs by Project Components

(000s)

Project Component	TA Long-Term	TA Short-Term	Training	Commodities	Local Support	Contingency	Eval/ Audit	TOTAL LOP
1. Training								
- Peace Fellows	-	-	36,750	1,000	1,630	1,170	400	41,000
- Non-Project TRG(2)	-	-	19,025 (1)	-	-	750	225	20,000
- English Language TRG	6,000	3,000	7,353	1,500	350	1,547	250	20,000
2. Institution Building	2,311	2,046	900	900	191	852	300	7,500
3. Up-grading in-country TRG Institutions	3,487	3,000	7,787	4,000	-	2,026	200	20,500
TOTAL	11,798	8,046	71,815	7,400	2,221	6,345	1,375	109,000
Percent Total	11%	7%	66%	7%	2%	6%	1%	100%

(1) Contains $750,000 USAID reservation for USAID initiated training efforts.
(2) Estimated because $12 million will be programmed over the LOP.

TABLE XVII

Obligation Schedule Amount and F.Y.
($000)

Items	85/86	86/87	87/88	88/89	89/90	90/91	Total
Obligations	4,000	18,000	22,000	23,000	22,000	20,000	109,000

TABLE XVIII

ILLUSTRATIVE FINANCIAL PLAN FY 85-86(1)
(000s)

Project Elements	AID $	AID L	GOE L	TOTAL $	TOTAL L
I. Training					
i. Peace Fellows (0125.1)					
- Training and follow-up	-	-	-	-	-
- GOE Washington Support	-	-	-	-	-
- GOE local support	-	50	50	-	100
- Commodities	-	-	-	-	-
- Evaluation/Audit	-	-	-	-	-
- Contingency	150	-	-	150	-
Sub-Total	150	50	50	150	100
ii. Non-Project TRG (0125.2)					
- long-term TRG(2)	100	-	-	100	-
- short-term TRG	-	-	-	-	-
- Evaluation/Audit	-	-	-	-	-
- Contingency	100	-	-	100	-
Sub-Total	200	-	-	200	-
iii. English Language					
- English language survey (0125.3)					
- long-term TA	50	30	6	50	36
- short-term TA	16	16	2	16	18
- GOE support	-	20	4	-	24
- commodities	37	-	5	37	5
- computer rental	-	20	5	-	25
- short-term TRG	9	-	1	9	1
- Evaluation/Audit	-	-	-	-	-
- Contingency	20	-	-	20	-
Sub-Total	132	86	23	132	109
- Fulbright (0125.4)					
- long-term TA	-	-	-	-	-
- off-shore TRG	-	-	-	-	-
- in-country TRG	-	-	-	-	-
- commodities	-	-	-	-	-
- evaluation/Audit	-	-	-	-	-
- contingency	-	-	-	-	-
Sub-Total	-	-	-	-	-

TABLE XVIII (Cont'd)

Project Elements	AID $	AID L	GOE L	TOTAL $	TOTAL L
- AUC (0125.5)					
- long-term TA	-	-	-	-	-
- commodities	-	-	-	-	-
- evaluation/Audit	-	-	-	-	-
- contingency	-	-	-	-	-
Sub-Total	-	-	-	-	-
- Up-grading In-country Eng. Lang. TRG (0125.6)					
- long-term TA	-	-	-	-	-
- short-term TA	-	-	-	-	-
- long-term TRG	-	-	-	-	-
- short-term TRG	-	-	-	-	-
- GOE support	-	-	-	-	-
- commodities	-	-	-	-	-
- evaluation/audit	-	-	-	-	-
- contingency	-	-	-	-	-
Sub-Total	-	-	-	-	-
ii. Institution building (0125.7)					
- long-term TA	332	200	20	332	220
- short-term TA	300	180	10	300	190
- off-shore TRG	50	-	10	50	10
- in-country TRG	-	50	10	-	60
- GOE support	-	25	-	-	25
- commodities	100	-	75	100	75
- evaluation/audit	-	-	-	-	-
- contingency(3)	1066	-	-	1066	-
Sub-Total	1848	455	125	1848	580
III. Up-Graded In-Country TRG capacity (0125.8)					
- long-term TA	80	40	10	80	50
- short-term TA	200	184	15	200	199
- commodities	100	-	50	100	50
- off-shore TRG	200	-	10	200	10
- short-term TRG	125	50	10	125	60
- evaluation/audit	-	-	-	-	-
- contingency	100	-	-	100	-
Sub-Total	805	274	95	805	369
TOTAL ALL COMPONENTS	3135	865	293	3135	1158

TABLE XVIII (Cont'd)

Notes:

(1) FY 85/86 alone is given, because project is to be funded incrementally. Subsequent year funding will follow on a financial analysis of prior year(s) and incremental obligations set accordingly.

(2) In 85/86 this is a USAID set aside reservation. All other non-project training will be funded under 0026.

(3) Contingency figure contains $100,000 for operational contingencies and $966,000 for contract contingency, based on the likelihood that it will be necessary to contract late in fiscal year.

Other:

1. Within each component, the project will allow for transfer between budget line items not to exceed 15% of the line item being transferred from, subject to prior written advice of intention to USAID.

2. No transfer between components will be allowed without a prior written request to both MPIC and USAID who both must provide written approval in advance of the transfer.

D. ADMINISTRATIVE ANALYSIS

The administrative arrangements set down for most of the project's components are appropriate in the light of previous, if not current, experience with the organizations to be involved in implementing the project. They are given below by component.

i. Peace Fellows - the Peace Fellows component will be administered by the Mission's Department of the Ministry of Higher Education. The Department is the sole GOE Agency responsible for placing Egyptians in foreign instructional institutions. As such, it has been the implementing agency for the Peace Fellows Project since the mid-1970's. Its accounting, personnel and management systems have been developed with help from a sub-contractor (AMIDEAST) and, on the basis of a decade of experience with the Mission's Department, USAID made a determination of administrative and financial capacity in connection with the recent PP amendment (April 28, 1985, page 2).

ii. Non-Project Training - Administrative responsibility for implementing this component will lie with USAID's Office of Education and Training who have sufficient staff and operational experience in Egypt to carry out all the tasks assigned to them under this component.

iii. English Language Training - Coordination responsibility will lie with the CAOA which will have the staff support of CDELT of Ain Shams University. The CAOA intends to place on its staff at least two qualified people with adequate secretarial support to perform the coordination roles assigned to it. CDELT is an ongoing organization which was created by USAID and supported by USAID until recently. The organization has well trained technical and administrative staff who are thoroughly familar with USAID administrative and financial procedures. USAID has one full time FSN who is an expert in English Language Training who will act as the liason in the development and implementation of English language training sub-components under the project. There is the very real possibility that, among other programs to be supported by USAID in this area, we will continue to support AUC and the Fulbright programs in English language training. Both institutions are well staffed and are thoroughly aware of USAID requirements regarding procurement, financial records, reporting, etc.

iv. Institutional Development of the CAOA - USAID has had no direct experience with CAOA. In discussions with its Director, it was agreed that the size and nature of the coordination/implementation roles required of the CAOA under the project necessitated the establishment of a new office within the CAOA - one dedicated to assuring appropriate implementation of the project. This means that the CAOA will provide at least two counterparts for each technician and appropriate support and secretarial services. The CAOA has highly qualified administrators, many of whom were trained in the U.S. The administrative problem is not, therefore, provision of qualified managers, but rather acquainting these managers with the requirements of the system to be installed to assure the more rational allocation of the nation's resources for training, as well as the more effective use of human capital already formed.

In the light of these requirements, the project makes adequate provision for training Egyptian administrators in the new tasks associated with attainment of project obtectives. To this end, the project provides techincal assistance, long and short term training in the U.S. And Egypt and commodities incidental to the operations of the CAOA, as they relate to the project activities. The inputs/outputs of the project (e.g., manuals developed, numbers and kinds of people to be trained in the CAOA and other participating GOE agencies, amount of TA to be produced) are given in detail in Table VIII (page 55) and the dollar costs for providing the inputs are detailed in Tables IX and X (pages 68-69). Consultations between USAID Financial Management staff and the staff of the CAOA leave no doubt that the CAOA has the financial resources to take on the coordination/implementation roles of the project and that, with the technical assistance to be supplied, it will have the appropriate financial, record keeping and procurement procedures to permit it to play its several roles effectively within Egypt and between Egypt and USAID. For those project activities that require date storage and retreival, the CAOA will call upon CAPMAS (National Statistical Center) which has a long experience with administering data management programs within Egypt and is thoroughly familiar with USAID financial, administrative and procurement procedures, having on numberous occasions had contractual/grant arrangements with USAID Cairo over the last ten years. USAID's project manager has had considerable academic and professional experience (both within USAID and in association with other development assistance organizations) in planning and implementing similar programs in other countries. While monitoring project activities under the proposed direct USAID contract as well as the several sub-components to be developed under the project will require full time attention, the burden will be shared by others in the Office of Education and Training (e.g., Training Officer). Consequently the Mission believes that the project can be administered appropriately within existing staff levels.

v. Up-Grading In-Country Training Institutions - Assessment of administrative capacity of any institution requesting assistance will be part of any request for support. Each sub-project/grant will be reviewed by both the CAOA and USAID and a specific determination of administrative ability made. To the extent that administrative capacity of a requestor needs up-grading, it may be supplied under the sub-project/grant, assuming that both USAID and the CAOA approve such provision in advance.

E. TECHNICAL ANALYSIS

The Project elements described elsewhere in the Project Paper are technically sound; i.e., activities to be undertaken are consistent with the body of knowledge about the possible solutions within the professional community.

i. The Peace Fellows and Non-Project Training components do not involve directly the application of any particular scientific or technological body of knowledge, but rather the acquisition of scientific and technological knowledge within U.S. And Egyptian institutions which have demonstrated capacity in their instructional and research programs.

ii. The English Language Training Component makes provision for a survey of Egyptian needs and capacities in the area of English language training to serve as the basis for assuring that appropriate teaching and learning modalities are included within the operation of the project. We do not envisage breaking any new theoretical ground within this component.

iii. The Institutionalization Component of the project will utilize analytical and instructional methods that have been tested and are currently in use in other nations of the world. The systems for developing and using a talent bank, for example, have been employed in India and Brazil for over 15 years. The project will investigate alternative systems with a view to adopting them for use within Egypt.

iv. The Up-Grading Local Instructional Capacity component of the project will require that those requesting assistance attest to the type of assistance requested in the light of alternative instructional/research methods. In short, the project will assure that solutions proposed in up-grading are commensurate with the needs and capacities of Egypt and take into account cost-effectiveness considerations.

F. PROCUREMENT ANALYSIS

Table XIX provides Procurement Procedures Responsibilities by Project Components. Specific details vis a vis procurement are given below:

i. With the exception of the grant to be made to the Missions Department, MOHE for the operation of the Peace Fellows Program, other project components will be primarily handled by a direct USAID negotiated contract let competitively by Contract Services (CS), USAID, Cairo. USAID staff discussed the relative merits of host-countries and direct contracting with the CAOA. The GOE/CAOA feels that direct contracting is the desired mode, because both USAID and the GOE are to be actively engaged in reviewing training criteria, implementing training requests (e.g., USAID's Office of Education and Training in placing non-project participants) and fostering working relations between USAID sector offices and the CAOA. USAID Cairo shares the view of the CAOA and agrees that a direct contract by USAID will do more to enhance effective, close working relations than will the host-country contract mode.

ii. The project will make every effort to assure that minority and small firms are given an opportunity to compete, particularly on sub-components of the prime contract. They may, of course, bid on the prime contract as well, but it is expected that such services may better be applied to contemplated sub-components.

iii. There is no apparent need to purchase vehicles in connection with any of the project's components.

iv. Before any off-shore procurement for computer hardware of the soft-ware is approved, requests must be cleared by CAPMAS and in no case will USAID approve off-shore procurement where it is demonstrated that facilities already purchased and operating in Egypt are underutilized. The intent here is to try to optimize the use of facilities already purchased by USAID (e.g., at the Development Research and Technological Planning Center, Cairo University assisted under 263-0061).

v. Off-the-shelf procurement is estimated for project components to be:

Component	EL (LOP)
Peace Fellows	50,000
English Language Survey	25,000
AUC	22,000
Up-grading ELT Institutions	200,000
Institutional Building	70,000
Total	367,000

It is clearly recognized that the above estimates may be grossly inaccurate. They will need to be modified when procurement details for components are specified. This will be accomplished by PIL, when off-the-shelf procurement is clearer and if a procedure for obtaining duty-rebates is established between the GOE and USAID.

vi. While it is too early to provide precise details regarding particular commodity items to be procured over the life of the project, the following general categories can be stated:

a. Peace Fellows - the only commodities under this component will be periodicals and books for use by professional organizations located in Egypt.

b. Non-Project Training - no procurement.

c. English Language Program - Commodities will consist primarily of books and instructional materials/equipment required in connection with improving English language training in Egypt.

d. Institutionalization - Commodities will consist of equipment and materials necessary to allow the CAOA to perform its analytical functions (e.g., duplication facilities, a limited number of PCs) and instructional equipment/materials incidental to the training programs to be developed and offered by the CAOA to participating GOE agencies.

e. Up-Graded In-Country Training Institutions - Commodities will consist of library materials and equipment (e.g., books, journals, fiche), instructional materials and equipment (e.g., books, a limited number of PCs, case studies, journals).

TABLE XIX

PROCUREMENT X COMPONENTS

Component	Type	Details
I Training		
- Peace Fellows	Services	A grant will be made tothe Missions Department,MOHE to carry out program. Standard USAID grant procedures will be followed. To assist its Washington operations. GOE/MOHE may sub-contract competitively for placement services. Sub-contracts will follow standard USAID procedures. To simplify accounting control, FAR will be investigated.
	Follow-up	The MOHE/Missions Department will be authorized to make sub-grants to Egyptian professional organizations in accordance with selection procedures stated in the grant to MOHE/Missions Department. USAID standard grant procedures will be used.
	Audit	Audit services funds will not be included in the grant to MOHE. Audit services deemed necessary will be procured by RIG under terms specified by USAID's Offices of CS and FM using AID Washington IQC firms.
-Non-Project Training	Services	Placement, support and follow-up services for non-project trainees will be obtained by USAID's Office of E and T using placement organizations preselected by AID Washington's Office of International Training. In the event a request was received from the CAOA which USAID agreed was appropriate and could not be funded under other components of the project, USAID would consider approving a sub-grant or contract. Determinations concerning the nature of the proposal (e.g., unsolicitied or one requiring competition) would be made by USAID's non-competitive review board and standard USAID procedures for the grant or contract would be followed.
	Audit	The same conditions will apply as under the Peace Fellows Program.
- English Language Training		
-English Language Survey	Services	TA services provided will be part of the prime-contract let in connection with component number II (institutionalization). The prime contract will be let competitively following U.S. procurement procedures. Should the prime-contractor elect to provide services by sub-contract, U.S. procurement procedures will be followed.
	Commodities	Commodities will be procured by the prime or sub-contractor depending upon how the provision of services are accomplished. Both local and off-shore

TABLE XIX - 2

Component	Type	Details
		procurement will follow USAID/GOE procurement regulations. Off-shore procurement will be for CIF Egyptian port of entry. Clearing, storage and transport will be the responsibility of the GOE.
	Computer	Computer facilities will be procured locally and competitively, although preference in selection will be given to computer facilities/firms which have hard and soft-ware purchased by USAID. All procurements will be the responsibility of the prime or sub-contractor and will be handled, themselves, as sub-contracts. Procurement procedures will be cleared with USAID before competition.
	Training	Training will be the responsibility of the prime or sub-contractor who need only secure the approval of the CAOA of the course of study and the place of study. Off-shore training need not be cleared by USAID, but the contractor will be responsible for providing appropriate documents (PIO/P to USAID's Office of Education and Training on a periodic basis.
- Fulbright	Services	When agreed to by the CAOA and MPIC in the annual training plan, services will be procured by the CAOA using USAID grant procedures with AID approval.
	Training	The grantee will be responsible for providing both in-country and out-of country training subject only to the approval of the CAOA and as expressed in the grant agreement. Grantee will be responsible for providing USAID's Office of E and T with PIO/P documentation, on a periodic basis.
	Commodities	Off-shore procurement will be the responsibility of the grantee using USAID's standard procurement regulations as set down in the grant agreement. Grantee will be responsible for CIF to Egyptian port of entry. All other costs are the responsibility of the GOE.
- AUC	Services	When agreed to by the CAOA and MPIC in the annual training plan, services will be procured by the CAOA using USAID contract procedures with USAID approval.
	Commodities	Only local commodities will be procured. Procurement will be the responsibility of the contractor following procedures specified in the contract.
- Up-grading local ELT	Services, training, commodities	It is expected that all up-grading activities will be financed under grants/contracts. The CAOA will be responsible for procuring needed upgrading services/commodities, etc. Sub-contracts/grants specifying all inputs will be the responsibility of the CAOA using standard

Component	Type	Details
	Audit	USAID contract/grant procedures including competitive procurement when called for. Items included within the grant/contract such as procurement for commodities, TA and training would be the responsibility of the sub-contractor/grantee. In all cases USAID procedures for obtaining, for example, commodities would be used. USAID will be expected to approve all USAID funded grants/contracts before they are let. No funds for sub-components will be in the prime-contract. Conditions for auditing English language sub-components will be the same as those used under the Peace Fellows.
II Institutional Development: Up-Grading the Capacity of the GOE to Rationalize Investments in Training	Services	The GOE has requested that the institutionalization component of the project be financed under a direct USAID contract let competitively. USAID in collaboration with the CAOA will, therefore, have the responsibility of procuring all goods and services required for the component. It is the intention of both the GOE and USAID to include the TA,etc. under the English language survey and Up-grading local instructional capacity components in the prime-contract for the institutionalization component, although the sub-component activities may in fact develop as sub-contracts to the prime contract.
	Training	Training will be the responsibility of the prime or sub-contractor acting under the guidance and with the approval of the CAOA. USAID will be afforded necessary PIO/Ps for record keeping purposes.
	Commodities	USAID will privide only off-shore procurement which will be the responsibility of the prime contractor. Procurements will be CIF Egyptian port of entry, all other costs being for the GOE. No hard or soft-ware computer facilities will be procured without the approval of CAITAS. Where existing local capacity exists, it will be permissable for the prime-contractor to sub-contract for such services competitively, giving due weight to maximizing the use of hardware and soft-ware facilities already procured by USAID. The development of commodity procurement lists will be the responsibility of the prime contractor acting in collaboration with the CAOA and USAID and USAID procurement procedures will be used.
	Audit	see Peace Fellows component for procedures to be used.

TABLE XIX - 4

Component	Type	Details
III Up-Graded In-Country Training Capacity	Services, training, commodities	It is expected that all up-grading activities will be financed under sub-grants/contracts. The CAOA will be responsible for procuring needed up-grading services, etc. Sub-contracts/grants specifying all inputs and procedures to be used will be the responsibility of the CAOA using standard GOE/USAID procurment regulations including competitive procurement, unless a determination is made allowing non-competitive procurement. Such determinations will be made jointly by USAID and the CAOA. The provision of TA, training, commodities will be specified in sub-grants/contracts and provision of such items will be the responsibility of the sub-contractor/grantee. All sub-contracts/grants will require the prior approval of USAID and the CAOA before they are let. To assist the GOE in developing the capacity to plan for required up-grading, the GOE and USAID have agreed to provide TA services for some 18 months to the CAOA. This TA will be part of the prime-contract let to carry out the institutionalization component of the project. The funds for up-grading contracts/grants will not be included in the prime-contract.
	Audit	see the Peace Fellows component for procedures to be used for audit.

TABLE XIX

- 5

Other Procurement relevant Information

1. The project will make every effort to assure that minority and small firms are given an opportunity to compete, particularly on sub-components of the prime-contract. They may, of course, bid on the prime-contract as well but it is expected that such services may better be applied to contemplated sub-components.

2. There is no apparent need to purchase vehicles in connection with any of the project's components.

3. Before any off-shore procurement for computer hardware of soft-ware is approved, requests must be cleared by CAPMAS and in no case will USAID approve off-shore procurement where it is demonstrated that facilities already purchased and operating in Egypt are underutilized. The intent here is to try to optimize the use of facilities already purchased by USAID (e.g., at the Development Research and Technological Planning Center, Cairo University assisted under 263-0061).

4. Off-the-shelf local procurement is estimated for project components to be:

Component	EL (LCP)
Peace Fellows	50,000
English Language Survey	25,000
AUC	22,000
Up-grading ELT Institutions	200,000
Institution Building	70,000
Total	367,000

It is clearly recognized that the above estimates may be grossly inaccurate. They will need to be modified when procurement details for components are specified. This will be accomplished by PIL, when of-the-shelf procurement is clearer and if a procedure for obtaining duty-rebates is established between the GOE and USAID.

5. Each project component will make specific provision for involving the private sector. Set-asides, cost sharing and small grants will be considered. In the event that private sector set-asides are not taken up by the private sector within six months of the offer, funds will revert to the grant, [illegible]

Best Available Document

G. 611 (a) STATEMENT

i. Cost estimates used in developing the project are reasonably firm and may be expected to hold for the life of the project taking into account the contingency factor:

(a) Estimates of costs for participants was provided by AID/Washington (Notice 85-6 dated 4/10/85: 1985 Monthly Budget Planning Figures for U.S. Participant Training). The AID/W figures provid 1985 base line information for academic and non-academic training as well as standard inflation factors to be used in estimating for future years.

Estimates for in-country training are derived from Office of Education and Training Records.

(b) Estimates of costs for long-term and short-term technical assistance were provided by the Office of Financial Services, USAID/C. They are based on 1985 average costs for such services derived from averaging such costs from all the Mission's projects that include technical assistance as an input. Inflation factor was also provided.

(c) In some cases the costs of particular kinds of commodities are known for the base year 1985 (e.g., FORUM journal to be provided under the English Language component, computer services). Costs for other commodities have been estimated.

(d) Obligation of monies for commodities will be based on reasonably firm estimates made by the contractor and approved by USAID and the GOE when necessary.

(e) In addition, plans necessary to carry out the assistance are considered completed for 611 (a) purposes.

(f) Finally, there is need for host country legislation to be enacted to permit the project to be carried out.

ii. Local currency requirements are based on the GOE mandated rate of 0.83.

BEST AVAILABLE DOCUMENT

AID 1020-25 (11-72)
SUPPL. CATEGORY 1

ANNEX I

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

(INSTRUCTION: THIS IS AN OPTIONAL FORM WHICH CAN BE USED AS AN AID TO ORGANIZING DATA FOR THE PAR REPORT. IT NEED NOT BE RETAINED OR SUBMITTED.)

Life of Project:
From FY 85 to FY 92
Total U.S. Funding $100 million
Date Prepared:

Project Title & Number: Development Training 263-0125

PAGE 1

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Program or Sector Goal: The broader objective to which this project contributes: (A-1)	Measures of Goal Achievement: (A-2)	(A-3)	Assumptions for achieving goal targets: (A-4)
To increase the operational effectiveness and efficiency of Egyptian institutions contributing to selected key development goals by providing more and better training opportunities.	1. The relative number of Western trained middle and upper level Egyptian personnel working in key development sectors increases faster than the growth of the employed labor force. 2. Egyptian organizations involved in the project will be able to better plan and execute their activities.	Ministry of Manpower and CAOA data. Surveys of particular Egyptian institutions served by the project. Project evaluations.	The operational effectiveness/efficiency of an organization will increase as the number and quality of middle and upper level manpower increases. That technical and managerial skills acquired in the U.S. are appropriate for the organizational structures/operations of Egyptian institutions working in key development areas. Egyptian institutions will place individuals trained under the project in positions commensurate with the level and kind of training received. Egypt will continue its developmental relationships with the West, particularly the U.S.

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AID 1020-20 (11-70)
SUPPLEMENT 1

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title & Number: Development Training - 263-0125

Life of Project:
From FY 85 to FY 92
Total U.S. Funding: $100 million
Date Prepared:

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Project Purpose: (B-1) To design and implement a better organized and more efficient Egyptian training program and to train Egyptians in the U.S. and Egypt.	Conditions that will indicate purpose has been achieved: End-of-Project status. (B-2) 1. The GOE is producing and using training plans to make more efficient use of its resources to train and use people to meet key development needs. 2. A talent bank and in-country inventory system of training institutions are being used in preparation of training plans. 3. Expanded and improved English language training programs are producing more and/or better trained Egyptian students. 4. Egytpians trained in the U.S. and Egypt.	(B-3) 1. Receipt of training plans, evaluation of the plans and USAID and GOE allocation of resources based on the plans. 2. Visual examination and evidence that the talent bank and in-country assessments have been used to develop the training plans. 3. Annual reports of admissions, test results and measurement of the cost effectiveness of programs. 4. USAID and GOE training records. 5. Annual reports and evaluations of in-country training institutions being assisted under the project.	Assumptions for achieving purpose: (B-4) 1. The GOE will use an existing institution to centralize the coordination of training investment. 2. The coordinating institution will have the power and authority to make recommendations concerning: a. the selection and placement of trainees; and b. the improvement of in-country training institutions to include English language training 3. The MPIC and USAID will act in accordance with the coordinating agencies recommendations.

AID 1330-25 (11-79)
SUPPLEMENT 1

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Project Title & Number: Development Training 263-0125

Life of Project:
From FY 81 to FY 92
Total U.S. Funding $100 million
Date Prepared:

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
Project Outputs: (C-1) 1. Training i. Peace Fellows with completed study programs a. operations of local professional organization enhanced ii. Individuals trained to increase operational efficiency iii, a. Individuals provided English language training for overseas training. b. English language teachers trained. c. English language institutions improved d. Egyptians receiving English language for use in Egypt	Magnitude of Outputs: (C-2) 1. i. 16,000 person months (approx. 275 students p.a. a. 10 professional meetings held by returnees ii. 4,500 person months of training provided iii. 4000 trained b. 1000 teachers trained c. 15 d. 5000	(C-3) 1. i. Project files and data from Missions Department & CAOA a. Surveys and project files ii. Project and CAOA files iii. Project and contractor files. Test results from institutions providing the training. Surveys of English language training institutions. Fulbright program files.	Assumptions for achieving outputs: (C-4) 1. The GOE will continue to seek overseas training for key individuals. Egyptians will continue to seek training opportunities. Professional organizations exist in Egypt and U.S. counterpart organizations are willing to interact with Egyptian professional organizations.
2. An Egyptian organization is operating and has procedures in place and people trained to carry out following tasks: a. develop manning tables b. translating manning tables into training plans c. insuring consistency between individual GOE agency plans d. assessing in-country training capacity e. developing and using a talent bank f. relaying training requirements	2. one organization (perhaps two if tasks must be shared. (for tasks 2. a-f) 15 procedural plans developed; four plans for storing, analyzing & retreiving data; 200 core staff trained to use plans & procedures; 25 in-country training assesments produced; one talent bank in operation with semi-annual reports	2. Examination of organizational legal mandates and manning tables (a-f) project evaluation; training plan submissions to donor agencies and GOE talent bank publications; in-country training assessment records.	2. The GOE has the basic organizational infrastructure for developing and using training plans. The GOE is seriously interested in rationalizing procedures for selecting, training and using human capital.
3. The in-country training capacity of Egyptian training institutions in key development areas improved by staff upgrading, new materials and equipment	3. 10 in-coutry training institutions improved by upgrading 200 staff and provision of materials	3. Project files; reports from training institutions on numbers trained and test results.	3. There is a basic in-country training capacity in place and it can be improved by selected inputs. The GOE will meet normal operating and capital costs

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AID 1020-21 (10-79)
SUPPLEMENT 1

ANNEX I – page 4

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project:
From FY 85 to FY 92
Total U.S. Funding $100,000
Date Prepared:

Project Title & Number: Development Training 263-0125

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS			MEANS OF VERIFICATION				IMPORTANT ASSUMPTIONS
Project Inputs: (D-1)	Implementation Target (Type and Quantity) (D-2) (000$)			(D-3)				Assumptions for providing inputs: (D-4)
By Project Components	TA Long-Term	TA Short-Term	Training	Commod	Local Support	Contin-gency	Eval Audit	TOTAL
I. Training								
-Peace Fellows	–	–	36,750	1,000	1,630	1,170	400	41,000
- Non-Project Training	–	–	19,025	–	–	750	225	20,000
- English Language Trng.	6,000	3,000	7,353	1,500	350	1,547	250	20,000
II. Institution Building	2,311	2,046	900	900	191	852	300	7,500
III. Up-Grading in-Country Training Institutions	3,487	3,000	7,787	4,000	–	2,026	200	20,500
TOTAL	11,798	8,046	71,815	7,400	2,221	6,345	1,375	109,000

Verification from USAID Project and Financial Records

USAID and the GOE will be able to establish appropriate contract procedures for implementing project activities.

Funds will be made available for project activities.

Annex II

CONCEPT PAPER ON
DEVELOPMENT TRAINING
(NON-PROJECT TRAINING)
USAID/CAIRO - HRDC/ET
FY 86-90

October 15, 1984

Note: Title of the Project when submitted to GOE was "Leadership Training for Development"

Concept Paper on
Development Training
(Non-Project Training)
USAID/Cairo - HRDC/ET
FY 86-90

This paper deals with non-project training. The USAID consensus reflected herein was developed in collaboration with the Project Committee for 263-0125, the Mission Training Committee (which includes representatives from all USAID/C sector offices), and staff of the Office of Education and Training and the Program Office. The paper also takes into account approximately eight years of experience with non-project training activities in Egypt (e.g., Peace Fellowships and Technology Transfer, 0110 and 0026 respectively), project specific training in the U.S. and/or third countries and project specific in-country training. Finally the paper takes into account the procedural relationships that have developed between the GOE and USAID/C in the matter of the selection, placement and follow-up of trainees.

I. The Problem and Proposed Solution:

Egypt's labor force is characterized by marked structural imbalances. There are approximately 30,000 PhDs in the country but many are and continue to be trained in low priority development areas. Few are trained in applied research. The nation continues to suffer from acute shortages of middle and upper-level planning, management and technical personnel in many fields. The problem is to help the Government of Egypt (GOE) to overcome such shortages. The means proposed to help alleviate this problem, addressed by this project, are to provide cost effective education and training opportunities for key individuals in developmental sectors while, simultaneously, helping the GOE to rationalize the procedures for identifying training needs, selecting cost effective training opportunities and optimizing the use of individuals once trained. USAID is uniquely qualified to assist the GOE in these areas, given AID's background and experience with training programs of all types and in human resource development planning. In addition, Egypt looks

primarily to the U.S. for the development and/or adaptation of science and technology, and that American management expertise is viewed by Egyptians as being the most relevant for their purposes.

II. Experience to Date:

As of July 5, 1984, the Mission had funded 5368 participants of which 2959 (55%) were supported from non-project training sources. Of the 5368, approximately 85% have returned to Egypt. Women made up 18% of the total. Of this total, 96% received their training in the U.S., and 3% have come from the private sector. Participants were drawn from some 300 different Egyptian sponsors and were placed in 250 U.S. academic institutions, 70 public sector organizations (e.g., Bureau of the Census) and a host of private sector organizations. Approximately 13% have received some form of academic degree training. The total amount of funds earmarked specifically for participant training (project and non-project) is approximately 1.5% of the Mission's total obligations to date. A 1983 Mission study on all participant training concluded that, "...it is probably fair to say that at least 50% of those trained (under PIO/Ps) are working in sector related areas (i.e., they appear to be working in areas such as agriculture, health and population in which USAID/C has specific development activities), and of the 50% at least half have found their training to be relevant and have been able to use it in their jobs. In short, if developmental pay-off is defined as individuals having been trained in sector areas in which USAID/C is working and using their training in their jobs, then the pay-off is around 25%. Personal pay-off is probably much higher and sector related pay-off, too, may be much higher over the long run."(1)

A 25% direct short run pay off was acceptable, considering the political urgency surrounding the Mission's desire to mount visible manifestations of U.S. Government assistance presence (non-project training efforts were

(1) USAID, A Descriptive Survey of Participant Training in USAID/Cairo 1976-1982, Cairo, April 1983.

the Mission's first two projects), and the fact that we had been cut off from Egypt for a considerable period of time.

The two non-project training efforts, Peace Fellowships (0110) and Technology Transfer and Manpower Development I, II, III (0026), mounted in the immediate wake of the Camp David Accords, were and are:

i. broad in terms of purposes(1)
ii. lacking sectoral focus;
iii. structured on the assumption that the Government of Egypt has the planning and management capacity to develop training plans (identify who should be trained and for what purpose), determine where the individual should be trained (in-country and/or out-of-country) and to identify and use individuals already trained;
iv. limited to utilizing almost exclusively U.S. training institutions and U.S. contractors;
v. devoid of any specific provision for English language training;
vi. in no way related to an assessment of regional requirements;
vii. without explicit provision for:
   a. a private sector set-aside (0110 does make such provision);
   b. USAID/C initiatives without further referal to the GOE; and
viii. did not analyze in terms of cost effectiveness or other criteria the alternatives in the U.S. and in Egypt.

(1) 0026 Prog states, "The Project will consist of assisting the Grantee, and such private sector organizations as the Grantee may indicate, in the planning and implementation of development programs and projects and ... will provide assistance to solve immediate technical and planning/managerial problems and to create an appreciation of the need for change and the means for accomplishing it." (page 1) 0110 Prog States, "the project will assist Egypt to meet the goal of strengthening an expanding the pool of manpower trained in developmend related skills ... the project will provide fellowships for graduatae level training at U.S. institutions of higher education in fields specifically related to Egypt's social and economic development." (page 3)

III. Future Actions

If the low level of first generation (1975-85) non-project training activity pay-off is justified on the grounds of initial lack of information, second generation activities (1986-1995) must be dedicated to increasing the relevance and developmental pay-off of training to both USAID and the GOE by utilizing the information gained in both sector and training activities during the first generation. To increase relevancy and pay-off, USAID must, in collaboration with the GOE do four things:

i. We must focus more sharply on the (a) key policy and project goals set down in the Mission's CDSS and the GOE's National Development Plan, and (b) gaps or deficiencies in skills for Egyptian personnel needed to plan and implement these activities effectively. Focusing will be accomplished by the recently created Mission Training Committee;

ii. We must redefine acceptable purposes for non-project training maintaining, for a large segment of the Mission's training budget, the broad flexibility of the past still desired by all Mission offices (1);

iii. Following internal agreement, a PID will be developed and discussed with appropriate GOE officials and final agreement reflected in the Project Paper and PROAG for 263-0125; and

iv. We must assist the GOE to rationalize the selection, training and utilization of trainees and, where cost effectiveness dictates, increase the relative amount of training given in Egypt (by Egyptians) and in third countries.

(1) Non-project training should serve the following purposes: institution building; training of technical personnel; training that meets the major criterion of :"political impact"; post-project training to address personnel deficiencies in the areas of operations, maintenance and management; ad hoc training; and English language training. In short, an informal survey found that Mission staff maintain that non-project training must provide flexibility in meeting large numbers of training needs that are important but fall outside project training.

All the proposed actions must take place although not necessarily at the same time or with the same degree of intensity. In both short and long runs, doing the right kind of training for the wrong sectors will be no better than doing the wrong kind of training for the right sectors.

IV. Likely Components Under New Non-Project Training Effort - 263-0125

USAID/C intends to integrate all non-project training activity into one project. It will contain several components:

i. A leadership program (e.g., Peace Fellows) altered by:

a. limiting the number of sectors/problems focused upon, deriving such focus from key sector office activities;

b. introducing a competitive merit-board fellowship program to attract some of Egypt strongest students into critical specialties;

c. focusing on critical clusters of training needs (academic and non academic) rather than upon individuals;

d. providing for U.S. and Egyptian based development seminars for individuals pursuing allied studies (e.g., agricultural development);

e. assisting returnees to organize and maintain professional contacts within Egypt and with the U.S.

ii. A component to respond to Ministerial development plans and which differs from 0026 only in that the relative numbers of individuals coming from key development sectors will increase and that greater impact will be achieved because of the effort of v. (below) on training.

iii. A specific provision for a private sector set-aside will be included as a reservation of a limited amount of funds for USAID initiated activities.

iv. A TA, commodity and training component to increase the capacity of adequate but fledgling Egyptian training institutions (university and non-university) where economies of scale indicate that in-country training is the most cost effective solution to meeting an Egyptian development training need.

v. A TA, commodity and training component to assist elements of the GOE most crucial to USAID's program objectives to rationalize their procedures for developing training plans, deciding on where individuals should be trained and how to identify and maximize the use of those already trained. In all likelihood this will include assisting the GOE to develop procedures for assessing their own training/educational institutions and the development and use of a "talent bank". In this effort USAID/C will look to the GOE to identify the GOE counterpart organization or organizations (e.g., The Central Agency for Organization and Administration has been tentatively identified by USAID).

vi. An English language program sufficient for all training requirements, the improvement of English language instruction in Egyptian universities and assistance in the development of Egyptian run and financed English language centers in governorate centers.

vii. Coordination with other USAID Missions (Middle East and North Africa) to identify common critical training needs and capacities, in the light of Egyptian and regional requirements, and to explore alternative placement strategies and their relative cost effectiveness.

V. Conformity with CDCS and GOE Five Year Plan

The concept of focusing non-project training on key development sectors/problems and increasing the capacity of the GOE to rationalize the development and use of its manpower conforms with both GOE and USAID/C statements of intent:

i. The two main manpower objectives of the GOE are:

"- to achieve optimal utilization of human resources and

- manpower development both quantitatively and qualitatively, with strong emphasis in improving productivity and performance" (page 116 of GOE Five Year Development Plan)

ii. The CDSS notes that improving management and manpower is one of six key strategy areas, because "...improved management, particularly in the public sector, and the effective use of manpower resources are critically important elements of improved productivity."

VI. Funding Requirements

($ Millions)

No.	FY 85	FY 86	FY 87	FY 88	FY 89	FY 90	Total
263-0125	10	18	22	24	20	15	109

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ACTION: AID-6 INFO: DCM ECON /8

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RR RUEHEG
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UNCLAS STATE 125864

LOC: 17 165
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CN: 00899
CHRG: AID
DIST: AID

April 25
ELT

ACTION TO HRD DPPE
ACTION TAKEN DATE 5/5
DATE 4/27/85

AIDAC

E.O. 12356: N/A
TAGS:
SUBJECT: DEVELOPMENT TRAINING PID (263-0125)

1. THE NEAR EAST ADVISORY COMMITTEE, CHAIRED BY MR. BRADSHAW LANGMAID, DAA/NE, MET ON APRIL 4, 1985. MR. BERNARD WILDER, ASSOCIATE MISSION DIRECTOR FOR HUMAN RESOURCES AND DEVELOPMENT COOPERATION, USAID/CAIRO, REPRESENTED THE MISSION. THE PID WAS APPROVED WITH THE FOLLOWING CONCERNS TO BE ADDRESSED IN THE PROJECT PAPER, IN ADDITION TO THOSE ISSUES ALREADY IDENTIFIED BY THE MISSION IN THE PID.

2. IT WAS NOTED THAT PID BIBLIOGRAPHY INCLUDED NONE OF THE PROJECT PAPERS AND EVALUATIONS OF OTHER TRAINING ACTIVITIES IN THE REGION. THESE CONTAIN A NUMBER OF MAJOR INNOVATIONS IN THE DESIGN AND IMPLEMENTATION OF TRAINING ACTIVITIES. THESE INCLUDE: A. TRAINING SPOUSES OF PARTICIPANTS, B. PARTIAL SCHOLARSHIPS IN COOPERATION WITH THE PRIVATE SECTOR, C. LIMITED UNDERGRADUATE TRAINING (JUNIOR YEAR IN THE U.S.), ETC. NE/TECH WILL PROVIDE THE MISSION INFORMATION ON THESE APPROACHES AS WELL AS OTHER INNOVATIONS BEING USED IN AID GENERAL PARTICIPANT TRAINING PROJECTS FROM OTHER MISSIONS.

NOTE! NEVER RECEIVED

3. THE MISSION, IN DESIGNING THE PP COMPONENT RELATING TO THE FOLLOW-UP OF RETURNED PARTICIPANTS, MIGHT WANT TO CONSIDER PROVIDING FUNDS FOR ACTIVITIES WHICH INCLUDE ALL EGYPTIANS TRAINED IN THE U.S. REGARDLESS OF FUNDING SOURCE. SUCH A PROGRAM WOULD PROVIDE A CLEARER PICTURE OF THE IMPACT OF U.S. TRAINING ON BOTH THE PUBLIC AND PRIVATE SECTORS IN EGYPT AND WOULD HELP BUILD LONG TERM EGYPTIAN-U.S. BONDS. IF IT IS POLITICALLY FEASIBLE, IN EGYPT CONTEXT, THE MISSION MIGHT WANT TO EXPLORE THE POSSIBILITY OF INITIATING AN ASSOCIATION OF RETURNED PARTICIPANTS OF THE KIND THAT AID HAS SPONSORED IN KOREA AND INDIA, AND IS INITIATING IN PERU AND THE GAMBIA. THESE HAVE ALL BEEN DONE IN OTHER COUNTRIES WITH SOME SUCCESS. NE/TECH WILL PROVIDE THE MISSION WITH MATERIALS RELATING TO FOLLOW-UP ACTIVITIES WHICH IT CAN CONSIDER IN THE DESIGN OF THE PP.

4. THE MISSION, IN CONTRACTING FOR SERVICES UNDER THE

PROJECT, IS ENCOURAGED TO CONSIDER 8(A) FIRMS AND HISTORICALLY BLACK COLLEGES AND UNIVERSITIES. NE/TECH WILL SUGGEST SUCH CONTRACTORS AND EDUCATIONAL INSTITUTIONS ONCE MORE PRECISE INFORMATION IS OBTAINED FROM THE MISSION.

5. IT WAS NOTED THAT, ACCORDING TO THE PID, THE PERCENTAGE OF WOMEN PARTICIPANTS UNDER THE FIRST TWO ANTECEDENT PROJECTS HAS RISEN TO 20 PERCENT. THE PID STATES THAT THIS IS A HIGH RATE OF FEMALE PARTICIPATION GIVEN THE FACT THAT WOMEN REPRESENT ONLY 7 PERCENT OF THE WORK FORCE. IT IS NOT CLEAR THAT LABOR FORCE PARTICIPATION IS THE BEST MEASURE IN AS MUCH AS PERCENTAGE OF COLLEGE GRADUATES MAY BE MUCH HIGHER. THE MISSION SHOULD ADDRESS THE QUESTION OF WHAT AN APPROPRIATE TARGET SHOULD BE FOR THE NEW PROJECT AND PROVIDE A PLAN FOR PROMOTING THE PARTICIPATION OF WOMEN IN ALL TYPES OF TRAINING UNDER THE PROJECT.

6. IT IS SUGGESTED THAT THE CONDITIONS THAT WILL INDICATE THE PROJECT PURPOSE HAS BEEN ACHIEVED BE EXPANDED TO REFLECT THE INSTITUTIONALIZED CAPACITY OF AN APPROPRIATE EGYPTIAN INSTITUTION TO RATIONALIZE INVESTMENTS MADE IN TRAINING. IT IS ALSO SUGGESTED THAT PURPOSE ACHIEVEMENT INDCATORS BE EXPANDED TO INCLUDE FACTORS WHICH ARE MORE MEASURABLE.

7. THE ADMINISTRATOR HAS COMMITTED THE AGENCY TO A 50 PERCENT INCREASE IN THE LEVEL OF PARTICIPANT TRAINING IN THE U.S. (1986 OVER 1984). IT IS CLEAR THAT THIS GOAL

CANNOT BE ACHIEVED WITHOUT THE EGYPT PROGRAM CONTRIBUTING ITS SHARE. WHILE THIS PROJECT IS NOT THE ONLY INSTRUMENT AVAILABLE TO MISSION, IT IS THE PRINCIPAL ONE FOR COVERING ANY SHORTFALL IN OTHER AREAS. IT IS LIKELY TO FINANCE FEWER TRAINEES THAN ITS PREDECESSORS. AS WE UNDERSTAND TOTAL U.S. TRAINING IN THE REST OF THE PROGRAM MAY ALSO DECLINE, WE FACE A SERIOUS PROBLEM IN ACHIEVING ADMINISTRATOR'S GOAL. ACCORDING TO OUR DATA, EGYPT U.S. PARTICIPANT LEVEL IN 1984 WAS 1,795 (647 ACADEMIC AND 1,148 TECHNICAL). FOR 1986 OUR BEST ESTIMATE IS THAT THE EGYPT LEVEL WILL BE 430 ACADEMIC AND 1,250 TECHNICAL PARTICIPANTS FOR A TOTAL OF 1,680. APPLYING ADMINISTRATOR'S 50 PERCENT TARGET WOULD YIELD A 1986 TARGET OF 2,692 OR A SHORTFALL OF 1,012. PLEASE CONFIRM THESE AND PROVIDE YOUR PLANS FOR ACHIEVING ADMINISTRATOR'S TARGET. WE HAVE NO OBJECTIONS TO ENLARGING DEVELOPMENT TRAINING PID AS NECESSARY TO RESOLVE PROBLEM. SHULTZ
BT
#5864

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CLASS: UNCLASSIFIED
CHRGE: AID 5/21/85
APPRV: A/AD/HRDC:GOLDHAM
DRFTD: HRDC/ET:WPCHARLESON:
MS
CLEAR: 1. PRDC/ET:AYUILSURA
DISTR: AID-6 DCM ECON
USIS

AIDAC

E.O. NS/TECH/HRST

E.O. 12356: N/A
SUBJECT: ADVICE OF PROGRAM CHANGE FOR DEVELOPMENT TRAINING PROJECT 263-0125.

DPPE
LEG
FM

1. USAID INTENDS TO OBLIGATE DOLS 4 MILLION IN JUNE 1985. ACCORDINGLY, REQUEST THAT AID/W PROCESS REQUIRED CONGRESSIONAL NOTIFICATION. FOLLOWING IS SUGGESTED CH LANGUAGE.

3. ADVICE OF PROGRAM CHANGE:

COUNTRY:	EGYPT
PROJECT TITLE:	DEVELOPMENT TRAINING
PROJECT NUMBER:	263-0125
FY 85 CP REFERENCE:	APAR PAGE ANNEX IV, PAGE 56 (FORMER TITLE: WORKFORCE PLANNING)
APPROPRIATION CATEGORY	ECONOMIC SUPPORT FUND
LIFE-OF-PROJECT FUNDING	DOLS 100,000,000
INTENDED OBLIGATION:	DOLS 4,000,000

THIS IS TO ADVISE THAT AID PLANS TO OBLIGATE A TOTAL OF DOLS 4,000,000 IN FY 1985 GRANT FUNDS FOR THE DEVELOPMENT TRAINING PROJECT. THIS IS A NEW PROJECT PRESENTED IN A PLANNED PROGRAM SUMMARY SHEET IN THE FY 86 CONGRESSIONAL PRESENTATION UNDER THE TITLE WORKFORCE PLANNING.

THE PROJECT WILL ASSIST THE GOVERNMENT OF EGYPT (GOE) TO PROVIDE COST EFFECTIVE EDUCATION AND TRAINING OPPORTUNITIES FOR SELECTED EGYPTIANS WORKING IN KEY SECTORS AND RATIONALIZE GOVERNMENT PROCEDURES FOR IDENTIFYING TRAINING NEEDS, SELECTING COST EFFECTIVE TRAINING PROGRAMS AND OPTIMIZING THE USE OF THE TRAINED INDIVIDUALS. ALL AID SPONSORED NON-PROJECT TRAINING AND THE PEACE FELLOWS PROGRAM WILL BE COMBINED UNDER THIS PROJECT. FURTHER DETAILS ARE PROVIDED IN THE ATTACHED ACTIVITY DATA SHEET.

4. ACTIVITY DATA SHEET:

PROGRAM:	EGYPT
TITLE:	DEVELOPMENT TRAINING
NUMBER:	263-0125
GRANT:	NEW

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FUNDING SOURCE:	ECONOMIC SUPPORT FUNDS
PRIOR REFERENCE:	NEAR EAST, ANNEX IV, PAGE 50 (FORMER TITLE: WORKFORCE PLANNING)
LIFE OF PROJECT	DOLS 109 MILLION
FY 85 OBLIGATION AMOUNT	DOLS 4 MILLION
INITIAL OBLIGATION	FY 85
ESTIMATED FINAL OBLIGATION	FY 90
ESTIMATED PACD	FY 91

PURPOSE: TO INCREASE THE OPERATIONAL EFFICIENCY AND EFFECTIVENESS OF EGYPTIAN INSTITUTIONS CONTRIBUTING TO SELECTED DEVELOPMENT GOALS.

BACKGROUND: THE PROJECT WILL BE THE FOURTH IN A SERIES OF TRAINING PROJECTS DESIGNED TO PROVIDE TRAINING OPPORTUNITIES IN ADDITION TO THOSE PROVIDED UNDER MISSION'S REGULAR PROJECT PORTFOLIO. APPROXIMATELY 3750 INDIVIDUALS HAVE BEEN OR ARE BEING TRAINING UNDER EXISTING PROJECTS: 1500 UNDER THE PEACE FELLOWSHIP PROGRAM AND THE BALANCE OF 2250 UNDER THE TECHNOLOGY TRANSFER AND MANPOWER DEVELOPMENT PROJECT. THE PROPOSED PROJECT COMPLEMENTS THESE PREDECESSOR PROJECTS. IT WILL ASSIST EGYPT TO OVERCOME ACUTE SHORTAGES OF MIDDLE AND UPPER-LEVEL PLANNING, MANAGEMENT AND TECHNICAL PERSONNEL. EVALUATION OF ANTECEDENT PROJECTS INDICATES THAT THE DEVELOPMENTAL IMPACT OF TRAINING EFFORTS CAN BE ENHANCED BY:
(A) A MORE PRECISE DEFINITION OF PURPOSE;
(B) BETTER SECTOR FOCUS;
(C) IMPROVING THE CAPACITY OF THE GOE TO MOUNT TRAINING PLANS, DETERMINING WHERE INDIVIDUALS SHOULD BE TRAINED, AND OPTIMIZING THE USE OF INDIVIDUALS ONCE TRAINED;
(D) A BETTER BALANCE BETWEEN IN-COUNTRY TRAINING AND OUT-OF-COUNTRY TRAINING, PARTICULARLY WHEN ECONOMIES OF SCALE DICTATE THE FORMER AS BEING MORE COST EFFECTIVE THAN THE LATTER; AND
(E) MAKING SPECIFIC PROVISION FOR ENGLISH LANGUAGE TRAINING, PRIVATE SECTOR PARTICIPATION AND FOLLOW-UP OF RETURNEES.

PROJECT DESCRIPTION: ALL AID SPONSORED NON-PROJECT
PT
#14060

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TRAINING ACTIVITIES AND THE PEACE FELLOWS PROGRAM WILL BE CARRIED OUT UNDER THE PROPOSED PROJECT. IT WILL CONTAIN THREE MAJOR COMPONENTS:

(1) TRAINING INCLUDING:

(A) A MODIFIED PEACE FELLOWSHIP PROGRAM WHICH WILL LIMIT THE NUMBER OF SECTORS/PROBLEMS FOCUSED UPON AND EMPHASIZE CRITICAL CLUSTERS OF TRAINING NEEDS OF INSTITUTIONS RATHER THAN INDIVIDUALS;
(B) A NON-PROJECT TRAINING PROGRAM TO REPLACE THE EXISTING TECHNOLOGY TRANSFER AND MANPOWER DEVELOPMENT III PROJECT FOCUSING ON INCREASING OPERATIONAL EFFICIENCY WITHIN KEY DEVELOPMENT AGENCIES AND PRIVATE FIRMS; AND
(C) CONTINUATION OF THE EXISTING AID PROGRAM FOR UPGRADING ENGLISH LANGUAGE SKILLS OF PARTICIPANTS AND COUNTERPARTS, AN ENGLISH LANGUAGE INSTRUCTION PROGRAM FOR EGYPTIAN UNIVERSITIES AND A NEW PROGRAM ASSISTING THE DEVELOPMENT OF ENGLISH LANGUAGE CENTERS IN THE GOVERNORATES.

(2) DEVELOPMENT AND INSTITUTIONALIZION OF THE GOE CAPACITY TO RATIONALIZE TRAINING BY FOCUSING ASSISTANCE ON THOSE ADMINISTRATIVE UNITS OF THE GOE MOST CRUCIAL TO ACHIEVING USAID'S PROGRAM OBJECTIVES. THE ASSISTANCE WILL HELP RATIONALIZE THEIR PROCEDURES FOR DEVELOPING TRAINING PLANS, DETERMINING APPROPRIATE TRAINING SOURCES AND IDENTIFYING AND MAXIMIZING USE OF THOSE ALREADY TRAINED.

(3) UP-GRADING OF IN-COUNTRY TRAINING IN SELECTED AREAS INCLUDING ASSISTANCE TO INCREASE THE CAPACITY OF ADEQUATE BUT FEEDLING EGYPTIAN TRAINING INSTITUTIONS (UNIVERSITY AND NON-UNIVERSITY). THE FOCUS WILL BE ON INSTITUTIONS WHERE ECONOMIES OF SCALE INDICATE THAT IN-COUNTRY TRAINING IS THE MOST COST EFFECTIVE SOLUTION TO MEETING AN EGYPTIAN DEVELOPMENT TRAINING NEED.
RELATIONSHIP OF PROJECT TO AID COUNTRY STRATEGY:

THE PROJECT DIRECTLY SUPPORTS THE AID COUNTRY STRATEGY EMPHASIS ON UPGRADING PROFESSIONAL TRAINING OF EGYPTIANS THROUGH TRAINING PROGRAMS IN THE U.S. AND EGYPT. IT WILL ALSO CONTRIBUTE TO THE ACHIEVEMENT OF COUNTRY STRATEGY OBJECTIVES IN THE AREAS OF TECHNOLOGY TRANSFER, INSTITUTIONAL DEVELOPMENT, AND INCREASING INDUSTRIAL AND AGRICULTURAL PRODUCTIVITY.

HOST COUNTRY AND OTHER DONORS: THE GOE WILL PROVIDE APPROXIMATELY 22 PERCENT OF PROJECT'S COST IN THE FORM OF LOCAL SALARIES, OFFICE SPACE, SUPPLIES AND EQUIPMENT.

BENEFICIARIES: THE DIRECT BENEFICIARIES OF THIS PROJECT ARE THE INDIVIDUALS AND ORGANIZATIONS RECEIVING THE SERVICES, COMMODITIES AND TRAINING/EXCHANGE VISITS PROVIDED BY THE PROJECT (14,000-15,000 PEOPLE). OTHER BENEFICIARIES OF THE PROJECT WILL BE THOSE DIRECTLY SERVED BY THE ORGANIZATIONS/INSTITUTIONS RECEIVING

A SISTANCE UNDER THE PROJECT. ULTIMATELY, BENEFITS WILL ACCRUE TO THE NATION AS A WHOLE, AS DEVELOPMENT PROGRAMS BECOME MORE EFFECTIVE. IT IS EXPECTED THAT 20 PERCENT OF THE PROJECT BENEFICIARIES WILL BE WOMEN; A FIGURE WELL ABOVE THE NATIONAL LABOR FORCE PARTICIPATION RATE FOR WOMEN OF 7 PERCENT.

MAJOR OUTPUTS:	ALL YEARS
1. PERSONNEL TRAINED UNDER PEACE FELLOWS PROGRAM.	1275
2. MONTHS OF TRAINING PROVIDED UNDER GENERAL TRAINING PROGRAM.	4500
3 PERSONNEL TRAINED IN ENGLISH LANGUAGE SKILLS FOR USE ABROAD.	4000
4. PERSONNEL TRAINED IN ENGLISH LANGUAGE LANGUAGE SKILLS FOR USE IN-COUNTRY.	6000
5 GOV ORGANIZATIONS WITH IMPROVED PLANNING CAPACITY.	25
6 GOVERNORATES WITH IMPROVED PLANNING CAPACITY.	25
7. IN-COUNTRY TRAINING INSTITUTIONS IMPROVED.	15

AID FINANCED INPUTS	LIFE-OF-PROJECT (DOLS 000)

BT
74052

NNNN

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LONG TERM TECHNICAL ASSISTANCE - (45 PERSON/YEARS)	11,000
SHORT TERM TECHNICAL ASSISTANCE - (16 PERSON/YEARS)	5,000
COMMODITIES	9,000
PARTICIPANT TRAINING (3000 PERSON/YEARS)	84,000
TOTAL	109,000

- U.S. FINANCING (IN DOLS 000)

-	OBLIGATIONS	EXP.	UNLIQUIDATED
THROUGH SEPT. 30, 1982	-	-	-
ESTIMATED FY 1983	-	-	-
EST. THROUGH SEPT. 1983	-	-	-
PROPOSED FY 1984	-	-	-

FUTURE YEAR OBLIGATIONS 125,000
ESTIMATED TOTAL COST: 109,000
PRINCIPAL CONTRACTORS OR AGENCIES: UNKNOWN AT THIS TIME.
VELIOTES
ET
#4060

NNNN

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DO NOT REMOVE FROM BACKING SHEET UNTIL READY FOR FILE

ACTION

UNCLASSIFIED ANNEX IV STATE 199514

ACTION: AID-6 INFO: DCM ECON /8

VZCZCCR0246
OO RUEHLG
DE RUEHC #9514 1800048
ZNR UUUUU ZZH
O 290047Z JUN 85
FM SECSTATE WASHDC
TO AMEMBASSY CAIRO IMMEDIATE 4250
BT
UNCLAS STATE 199514

LOC: 99 647
29 JUN 85 0853
CN: 15847
CHRG: AID
DIST: AID

AIDAC

E.O. 12356: N/A
TAGS:
SUBJECT: CN EXPIRATIONS

CNS FOR THE FOLLOWING PROJECTS HAVE EXPIRED WITHOUT OBJECTION:

UNIVERSITY LINKAGES (0118) ON JUNE 27.

S AND T DEVELOPMENT (0140) ON JUNE 27.

DEVELOPMENT TRAINING (0125) ON JUNE 28. SHULTZ
BT
#9514

NNNN

Notified MS. MANN at 0830 hrs. 6/30 A.B.

UNCLASSIFIED STATE 199514

HRDC ACTION FOR: S & T
DATE RECEIVED: 30 JUN 1985

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CENTRAL AGENCY
FOR
ORGANIZATION AND ADMINISTRATION

NASR CITY
CAIRO, A. R. E.

000837

ANNEX V

Cairo, 8 December, 1984

Mr. W. Charleson
Director
USAID
Cairo Centre Building
Cairo, Egypt

ACTION TO HRDC DCHR
ACTION TAKEN ____ DHS DATE 12/23
INITIALS ____ 12/10/84

Dear Mr. Charleson:

Thank you for the Concept Paper on Leadership Training for Development (USAID-Cairo-HRDC/E and the proposed project for Manpower Planning and Development (263-0125).

I went through the papers and we fully agree to the content. We are very enthusiastic to have your support in order that the project materializes.

I seize this opportunity to wish you a Merry Christmas and a Happy New Year.

Sincerely yours,

Dr. Hassan Tewfik
President

Is.

Revised E. cov
12/23/84

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MINISTRY OF Planning AND
INTERNATIONAL COOPERATION

000783

November 12 , 1984

Dr. Bernard Wilder
Associate Director
Human Resources Development Cooperation
USAID / C

ACTION TO H/Ov. DOPS
ACTION TAKEN _____ DATE 11/15
FILE _____ INITIALS _____

Dear Dr. Wilder:

With reference to the Memorandum of Conversation dated November 6, 1984, concerning:

1. The five program components which will go to make up USAID / Cairo's non-project training project (263-0125) in the future and

2. The need for a letter from our office requesting additional funds for project 263-0026 (Technology Transfer and Manpower Development).

I would like to inform you that we approve in principle the further development of project 263-0125 to include five elements. As for the first element regarding the leadership program (Similar to the Peace Fellows), I would like to inform you that we have already approved to allocate a sum of $ 6 million to finance this activity till Dec. 1986.

Rec'd at
11/15/84
OMS

HRDC ACTION FOR: EET
DATE RECEIVED: 14 NOV 1984

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MINISTRY OF Planning AND
INTERNATIONAL COOPERATION

As for project 263-0026, I would like to inform you that we postpone our approval to additional funding till we agree upon the plan for FY 84 / 85.

Thank you for your cooperation.

Best regards.

Sincerely yours,

Ahmad Abdel Salam.

Ahmad Abdel Salam Zaki.
Administrator

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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 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 1985 Continuing Resolution Sec. 525; 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 nor more than $1 million over that amount)?

   Congress has been notified in accordance with regular Agency procedures.

2. FAA Sec. 611(a)(1). Prior to obligation in excess of $100,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonably firm estimte of the cost to the U.S. of the assistance?

   (a) Yes, Financial Plan, see Text of P.O.

   (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?	Ratification of Project Grant Agreement by the People's Assembly is required. In the past, ratification has been promptly obtained. No delay in implementation, due to ratification process is expected.
4.	FAA Sec. 611(b); FY 1985 Continuing Resolution 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, or the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (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?	N/A
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

7. FAA Sec. 601(a). Information and conclusions whether projects 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.	Project makes specific provisions for training people from the private sector, who, when trained, should help to increase managerial and technical efficiency in all sectors, creating positive effect on areas mentioned in (a), (b), (c) and (e).
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).	A substantial portion of goods and services needed for the project will be obtained from private U.S. enterprises.
9. FAA Sec. 612(b), 636(h); FY 1985 Continuing Resolution 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 GOE is contributing approximately 13% of total proejct costs in cash and in-hand contributions. All U.S.-owned local currency is already programmed.
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?	No. N/A. (see item no. 9 above)

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 1985 Continuing Resolution Sec. 522. 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 environomental procedures set forth in AID Regulation 16. Does the project or prograam taken into consideration the problem of the destruction of tropical forests?	Yes.
14.	FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate sysem for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)?	N/A.

15. FY 1985 Continuing Resolution Sec. 536. Is disbursement of the assistance conditioned solely on the basis of the policies of any multilateral institution? No.

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FAA Sec. 102(b), 111, 113, 281(a). Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive 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 sustained basis, using the appropriate U.S. institutions; (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 N/A.

the participation of women in the national economies of developing countries and the improvement of women's status, (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 whch 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 for more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country N/A.

"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.

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

2. Development Assistance Project Criteria (Loans Only)

a.	FAA Sec. 122(b). Information an 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

3. Economic Support Fund Project Criteria

a.	FAA Sec. 531(a). Will this assistance promote economic and political stability? To the extent possible, does it reflect the policy directions of FAA Section 102?	Yes/Yes.
b.	FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities?	No.
c.	FAA Sec. 534. Will ESF funds be used to finance the construction of, or 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?	N/A.

5C(3) - STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. Procurement

1.	FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed?	Yes.
2.	FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him??	Yes.
3.	FAA Sec. 604(d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company?	N/A.

4.	FAA Sec. 604(c); ISDCA of 1980 Sec. 705(a). If offshore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.)	N/A.
5.	FAA Sec. 604(g). Will construction or engineering services be procured from firms of countries which are direct aid recipients and which are otherwise eligible under Code 941, but which have attained a competitive capability in international markets in one of these areas? Do these countries permit United States firms to compete for construction or engineering services financed from assistance programs of these countries?	No.
6.	FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent such vessels are available at fair and reasonable rates?	No.

7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? If the facilities of other Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs? — Yes.

8. International Air Transportation Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available? — Yes.

9. FY 1985 Continuing Resolution Sec. 504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States? — Yes.

B. Construction

1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services be used? — N/A.

2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable? — N/A.

3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed $100 million (except for productive enterprises in Egypt that were described in the CP)? N/A.

C. Other Restrictions

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter? N/A.

2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N/A.

3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? Yes.

4. Will arrangements preclude usen of financing:

   a. FAA Sec. 104(f); FY 1985 Continuing Resolution Sec. 527. (1) To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice Yes.

abortions; (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization; (3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; (4) to lobby for abortion?

b.	FAA Sec. 620(g). To compensate owners for expropriated nationalized property?	Yes.
c.	FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs?	Yes.
d.	FAA Sec. 662. For CIA activities?	Yes.
e.	FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained?	Yes.
f.	FY 1985 Continuing Resolution, Sec. 503. To pay pensions, annuities, retirement pay, or adjusted service compensation for military personnel?	Yes.

g.	FY 1985 Continuing Resolution, Sec. 505. To pay U.N. assessments, arrearages or dues?	Yes.
h.	FY 1985 Continuing Resolution, Sec. 506. To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending)?	Yes.
i.	FY 1985 Continuing Resolution, Sec. 510. To finance the export of nuclear equipment, fuel, or technology or to train foreign nationals in nuclear fields?	Yes.
j.	FY 1985 Continuing Resolution, Sec. 511. Will assistance be provided for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights?	No, assistance will not be provided for such purposes.
k.	FY 1985 Continuing Resolution, Sec. 516. To be used for publicity or propaganda purposes within U.S. not authorized by Congress?	Yes.

UNITED STATES AGENCY for INTERNATIONAL DEVELOPMENT

CAIRO, EGYPT

PROJECT AUTHORIZATION

Name of Country: Arab Republic of Egypt Name of Project : Development Training

Number of Project: 263-0125

1. Pursuant to Section 531 of the Foreign Assistance Act of 1961, as amended (the "Act"), I hereby authorize the Development Training Project (the "Project") for the Arab Republic of Egypt ("Cooperating Country") involving planned obligations not to exceed One Hundred Nine Million United States Dollars ($109,000,000) in grant funds over six years from the date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing the foreign-exchange and local-currency costs of goods and services required for the Project. The planned life of project is approximately six years from the date of initial obligation.

2. The Project will assist the Cooperating Country to design and implement a better organized and more efficient training program to train Egyptians primarily in the U.S. and Egypt.

3. The Project Agreement, which may be negotiated and executed by the officer to whom such authority is delegated in accordance with A.I.D. regulations and delegations of authority, shall be subject to conditions and covenants, substantially as follows, together with such other terms and conditions as A.I.D. may deem appropriate.

a. Source and Origin of Goods and Services Goods and services, except for ocean shipping, financed by A.I.D. under the Project shall have their source, origin and nationality in the Cooperating Country or in the United States, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the Project shall, except as A.I.D. may otherwise agree in writing, be financed on flag vessels of the United States.

b. Conditions Precedent to Disbursement

(1) Initial Disbursements For Individual Project Components Prior to any disbursement or to the issuance of any documentation pursuant to which disbursement will be made for any individual project component under the Grant, the Cooperating Country shall, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D., a statement, with respect to such component, of the names and titles of the persons who will act as the representatives of the Cooperating Country for such component together with a specimen signature of each person identified.

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(2) Initial Disbursement for the Peace Fellowship Program Component Prior to disbursement or to the issuance of any documentation pursuant to which disbursement will be made for the Peace Fellowship Program Component, the Cooperating Country, except as the Parties may otherwise agree in writing, shall furnish to A.I.D. in satisfactory form and substance,

(a) a plan for coordinating project component activities with the Central Agency for Organization and Administration (CAOA) or an alternative agency acceptable to A.I.D.; and

(b) a plan for assuring returning public sector Peace Fellows adequate supplies and materials to permit them to utilize their knowledge and skills. This plan shall show how the needs of returnees are related to commodities procured under the USAID commodity import program.

(3) Initial Disbursement for the Non-Project Training Component Prior to disbursement or to the issuance of any documentation pursuant to which disbursement will be made, the Cooperating Country shall, except as the Parties may otherwise agree in writing, furnish to A.I.D. in satisfactory form and substance, a plan acceptable to A.I.D. for coordinating non-project training activities with the CAOA or other entity acceptable to A.I.D.

(4) Initial Disbursement for English Language Training and Institutional Development Components Prior to disbursement or to the issuance of any documentation pursuant to which disbursement will be made for either the English Language Training Component or the Institutional Development Component, the Cooperating Country shall furnish to A.I.D. in satisfactory form and substance, a statement, with respect to such component, designating the CAOA or an alternative agency acceptable to A.I.D. as the project's principal counterpart agency for that component. Such statements shall address the Agency's authority, staffing and other capabilities.

(6) Additional Disbursements for English Language Training and Up-grading Local Training Capacity Component Prior to any disbursement or to the issuance by AID of documentation pursuant to which disbursement will be made for any individual sub-component activity under either the English Language Training or Up-grading Components, the Cooperating Country shall, except as A.I.D. may otherwise agree in writing, furnish to AID, in form and substance satisfactory to A.I.D.:

(a) Evidence with respect to such subcomponent that a Steering Committee involving the appointed coordinating agency and the recipient institution has been established and its responsibilities have been outlined; and

(b) A statement of the names, titles and responsibilities of representatives of the institution receiving assistance under such subcomponent.

d. Special Covenants

(1) The Cooperating Country will develop a plan and procedures for involvement of the Egyptian private sector in all project components and will assure appropriate funding to permit private sector participation.

(2) The Cooperating Country will make its best efforts to assist the development of professional organizations and to include these in follow-up activities planned for returning peace fellows.

(3) The Cooperating Country will conduct an evaluation of the Peace Fellowship Program Component, in cooperation with A.I.D., in the third year of the project life to assess the effectiveness of pre-departure orientation, training, and post-training follow-up. Emphasis will be placed on the quality of services offered to trainees, the usefulness of the training programs, and the impact of training and follow-up. Preliminary review of the institutionalization of follow-up shall also be included in this evaluation.

Frank B. Kimball

Frank B. Kimball

July 28, 1985

Date

Clearances:
HRDC/E&T:WCharleson
OD/HRDC/E&T:AWilburn
AD/HRDC:BWilder
LEG:KO'Donnell
ASD/FM:HJamshed
AAD/DPPE:JConly
DD:AHandly