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UNCLASSIFIED

INTERNATIONAL DEVELOPMENT COOPERATION AGENCY

AGENCY FOR INTERNATIONAL DEVELOPMENT

WASHINGTON, D.C. 20523

PROJECT PAPER
Amendment 1

EGYPT: National Agricultural Research
(263-0152)

September 21, 1986

UNCLASSIFIED

PROJECT DATA SHEET

1. TRANSACTION CODE

A = Add
 C = Change
 D = Delete

Amendment Number
1

DOCUMENT CODE
3

2. COUNTRY/ENTITY

3. BUREAU/OFFICE

JANE-US AID/Egypt

4. PROJECT NUMBER

263-0152

5. PROJECT TITLE (maximum 40 characters)

National Agricultural Research Project

6. PROJECT ASSISTANCE COMPLETION DATE (FACD)

MM DD YY
09/30/93

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

A. Initial FY 05

B. Quarter

C. Final FY 93

8. COSTS (\$1000 OR EQUIVALENT)

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	16,000	14,000	30,000	68,700	61,300	130,000
(Grant)	(16,000)	(14,000)	(30,000)	(68,700)	(61,300)	(130,000)
(Loan)						
Other U.S. 1.						
2.						
Host Country		6,900	6,900		00,000	00,000
Other Donor(s)						
TOTALS (Euros)	16,000	20,900	36,900	68,700	141,300	210,000

9. SCHEDULE OF AID FUNDING (\$1000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan		
(1)	100	000		30,000		15,000		130,000	
(2)									
(3)									
(4)									
TOTALS				30,000		15,000		130,000	

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

052 050 060 070

11. SECONDARY PURPOSE CODE
141

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

A. Code R/AG TECH
B. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To improve the capability of the Egyptian agricultural research community to provide a continuous flow of improved, appropriate agricultural technologies.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
08/07 02/89 06/93

15. SOURCE/ORIGIN OF GOODS AND SERVICES

USD US\$ Local Other (Specify)

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

17. APPROVED BY

Signature

Frank B. Kimball

Title

Frank B. Kimball
Director

Date Signed

27 SEP 1986

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

MM DD YY
11 11 11



140 11
UNITED STATES AGENCY for INTERNATIONAL DEVELOPMENT

CAIRO, EGYPT

Project Authorization

Name of Country: Arab Republic
of Egypt

Name of Project: National
Agricultural Research Project

Number of Project: 263-0152

1. Pursuant to Sections 531 and 532 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the National Agricultural Research Project for the Arab Republic of Egypt (the "Cooperating Country") involving planned obligations of not to exceed One Hundred and Thirty Million Dollars (\$130,000,000) in grant funds over a five year period from the date of the authorization, subject to the availability of funds in accordance with the AID OYB allotment process, to help in financing foreign exchange and local currency costs of goods and services required for the Project. Of the amount authorized for the Project, up to Thirty Million Dollars (\$30,000,000) is authorized for obligation in FY 1985. The planned life of the Project is seven years from the date of initial obligation.

2. The Project will improve the management, research methods and personnel development of the Agricultural Research Center (ARC). The Project also will improve data collection and analysis, information utilization and dissemination, seed production capabilities and agricultural research facilities.

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 covenants and conditions precedent substantially as follows, together with such other terms and conditions as A.I.D. may deem appropriate:

(A) Source and Origin of Commodities, Nationality of Services

Commodities financed by A.I.D. under the Project shall have their source and origin in the Cooperating Country or in the United States except as A.I.D. may otherwise agree in writing. Except for ocean shipping, the suppliers of commodities or services shall have the Cooperating Country or the United States as their place of nationality, 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 agree in writing, be financed only on flag vessels and carriers of the United States.

(B) Conditions Precedent to First Disbursement

Prior to any disbursement or to the issuance by A.I.D. of any commitment documents under this agreement, the COE shall, except as the Parties may otherwise agree in writing, furnish to A.I.D., in satisfactory form and substance:

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(1) evidence that the Ministry of Agriculture and ARC have established an administrative unit responsible for coordinating Project implementation, including the appointment of a Project director in charge of the unit and the grant of sufficient operating authority to the unit to implement the Project.

(C) Conditions Precedent to Disbursement for Technical Services

Prior to any disbursement for technical services or to the issuance by A.I.D. of documentation pursuant to which any disbursement will be made for technical services, the GOE shall, except as otherwise agreed in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(1) evidence that ARC has appointed counterparts for each technical assistance position;

(2) a statement describing the relationships between the staff of the ARC and the long-term technical advisors; and

(3) evidence of the establishment of a National Agricultural Research Council to function as a review and coordinating body and provide directional guidance to all agricultural research in Egypt.

Notwithstanding the foregoing, specific priority research activities initiated under A.I.D.-funded projects which are ongoing but need funding for continuation may, on a case-by-case basis and subject to the agreement of A.I.D., be funded from the Project.

(D) Conditions Precedent to Disbursement for Architectural and Engineering Services

Prior to the initial disbursement for architectural and engineering services, or to the issuance by A.I.D. of documentation pursuant to which any disbursement will be made for architectural and engineering services, the GOE shall, except as otherwise agreed in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D.:

(1) evidence of the availability of adequate sites for the construction of new Project facilities;

(2) evidence of a signed contract with a contractor acceptable to A.I.D. for the architectural and engineering services for the Project;

(3) evidence that Egyptian counterparts have been assigned as part of the Project team in positions corresponding to technical positions of the technical services.

Notwithstanding the foregoing, upon agreement of A.I.D., an amount up to but not to exceed \$95,000 may be disbursed for architectural and engineering services necessary to design work on selected sites where new construction or renovation will be necessary to reach Project objectives.

(E) Condition Precedent to Disbursement for Construction and Renovation

Prior to each disbursement for construction and renovation or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made for the construction or renovation of a particular facility to be assisted under the Project, the Grantee shall, in each case of construction or renovation, except as otherwise agreed in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D., an implementation plan for construction. This implementation plan shall include among other things, a list, in preferential order, of funding options considered, one of which shall be use of the Fixed Amount Reimbursable (FAR) or Modified FAR procedure.

(F) Conditions Precedent to Disbursement for Commodities

Prior to any disbursement for commodities or the issuance by A.I.D. of documents pursuant to which disbursement will be made for commodities, with the exception of office equipment and supplies, the GOE shall, except as the parties may otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D., an implementation plan for the procurement of such commodities.

(G) Conditions Precedent to Disbursement for Training

Prior to any disbursement for training or the issuance by A.I.D. of documentation pursuant to which disbursement will be made for training, the GOE 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 training plan, based on an inventory of training needs, that is projected over the life of Project. Notwithstanding the foregoing, this condition precedent shall not apply to trainees currently enrolled in A.I.D.-funded training.

(H) Covenants

The Grant Agreement shall contain covenants in substance as follows:

(1) Prior to implementation, issuance or execution, the Grantee shall submit for A.I.D.'s approval all plans, specifications, construction schedules, bid documents, solicitations of proposals, and similar Project contract documents, including all modifications to these documents;

(2) After the termination of the Project, the GOE shall make available, sufficient resources, including the provision of funds, to support on a continuing basis the research and information dissemination activities which have been supported by the Project. As part of its annual budget preparation, the Ministry of Agriculture shall meet with A.I.D. and discuss how the Project will provide for the operation and maintenance of all Project-funded equipment and construction;

(3) The GOE will do its best to institute appropriate pricing policies in order to assist the Project to reach the objective of stimulating agricultural productivity;

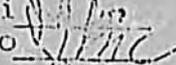
(4) The GOE shall consult with the Ministry of Agriculture Commodity Procurement Committee to develop prudent commodity procurement planning and to prevent unnecessary duplication of commodities. At least four months prior to the need for specific commodities, the GOE shall furnish A.I.D. with a commodity procurement plan for such commodities. A commodity procurement plan for vehicles shall provide the amount, type and use of vehicles. The plan must certify that adequate maintenance and repair facilities are available and that the GOE has personnel to properly operate, maintain, support and control the vehicles; and

(6) The GOE shall, except as the parties may otherwise agree in writing, furnish to A.I.D. proper tender documentation in a timely fashion, in the form developed by A.I.D. and the MDA Commodity Procurement Committee in earlier A.I.D.-funded projects.

4. Based on the justification set forth in the Project Paper, I hereby waive the requirement that up to \$350,000 of Project-financed lightweight motorcycles must be manufactured in the United States and certify that exclusion of procurement from free world countries other than Egypt and countries included in Code 941 would seriously impede attainment of U.S. foreign policy objectives and objectives of the foreign assistance program.


Frank B. Kimball, Director
USAID/Egypt

7/30/85
Date _____

Clearances: AGR:PCajewski 
DPPE:Clau to 
FM:Mejaha 
LEG:ML Williams

PROJECT PAPER AMENDMENT NO. 1

NATIONAL AGRICULTURAL RESEARCH PROJECT

263-0152

I. RECOMMENDATION

- A. That USAID/CAIRO approve this amendment which establishes a research support program to facilitate the conduct of interdisciplinary research and the development of improved research methods; and
- B. That USAID/CAIRO obligate an additional \$15 million to bring the amount obligated to \$45 million of a total \$130 million authorized level.

II. SUMMARY

- A. Project Title: National Agricultural Research
- B. Project Number: 263-0152
- C. Source of Funds: Economic Support Fund
- D. Total Project Amount: AID \$130 million, GOE LE 80.0 million

AID

Obligations FY 85	:	\$30 million
Proposed FY 86 obligation	:	15 million
Proposed FY 87-89 obligations	:	85 million

GOE

Proposed first year contribution	:	LE 5.7 million
Proposed additional contributions	:	LE 60.5 million

- E. Terms: To GOE--Entire amount as a Grant
- F. Grantee: Grant funds will be made available to the Ministry of Agriculture and Food Security.
- G. Coordinating Agencies: USAID/CAIRO and the Ministry of Agriculture and Food Security.
- H. Implementing Agency: The Agricultural Research Center of the Ministry of Agriculture and Food Security.
- I. Life of Project: Eight years--PACD September 30, 1993

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ANNEXES

- A. Statutory Checklist
- B. Evaluation Schedule
- C. 611 Determination from PP
- D. Grant Agreement

- J. Project Goal: To increase agricultural productivity by improving the quality of technologies available to farmers.
- K. Project Purpose: To develop the capability of the agricultural research community to provide a continuous flow of improved appropriate agricultural technology.
- L. Environmental Soundness of Project: The activities of this project in regard to AID environmental procedures qualify for a negative determination in compliance with the requirements of 22 CFR 216 (Section 216.3(b)(1) of Reg. 16).
- M. Project Summary: The project remains largely as described in the original Project Paper. The project provides technical assistance and training aimed at improving management, research methods, and the professional competence of researchers. Its strategy emphasizes technology generation and the transfer of these technologies through information utilization and dissemination, data collection and analysis, and seed processing activities. The ARC coordinates a research grants program to support agricultural experiments outside of the ARC, particularly with Egyptian universities, alone or in collaboration with US Title XII Universities and international agricultural centers.

This PP Amendment is not intended to be a comprehensive revision of the original PP. A full-scale amendment is planned for FY 87 which will link the NARP directly to the USAID-GOE agricultural policy dialogue and to the other two major projects in the sector, Agricultural Production Credit and Irrigation Management Systems. Early in FY 87 USAID plans to undertake an evaluation of USAID's past experience in agricultural research. Concurrently, a major amendment to Irrigation Management Systems will be completed and implementation of the Agricultural Production Credit Project will begin. Under the NARP, several important start-up actions will take place, such as mobilization of the T.A. team and completion of the training needs assessment. All of these activities will feed into preparation of the comprehensive PP Amendment in the second quarter of FY 87.

This interim PP Amendment has the following limited objectives:

1. To describe implementation progress to date and plans for the coming year;

2. To add a new component called Research Support;
3. To clarify administrative arrangements;
4. To revise the budget, in light of a new exchange rate and the proposed new project component;
5. To provide the implementation schedule; and
6. To revise the evaluation plan.

The project is being amended to establish a research support program. This research support program will be funded by the additional pounds generated by using the highest official exchange rate, approximately 1.35 to the US dollar, instead of the 0.83 rate used in estimating the original budget.

The Project Paper states that high priority research activities initiated under AID-funded projects which are ongoing but need funding for continuation may be funded from the NARP. The Project Paper, however, does not identify a line item from which funds may be drawn to support these research activities.

This amendment establishes a research support program line item under the services category of the budget. This line item is funded by allocating \$22.8 million in Egyptian pounds generated by calculating the exchange rate at 1.35 per US dollar.

Because one of the objectives of the NARP is to improve research methods, the research support program may also be used to fund any interdisciplinary research experiments that are being conducted by the MOA. At least 25 percent of the cost of these research activities, however, must be covered by host country contributions in cash or kind. Annual monitoring/evaluations will assess progress in meeting that goal. The 611 and 611 (e) determinations from the original project paper are still valid.

III. BACKGROUND

The original Project Paper was approved by the Mission Director on August 14, 1985 and the Grant Agreement was signed by representatives of both countries on September 12, 1985. Implementation moved slowly at the beginning but is now picking up momentum. It is anticipated that all major components of the project will initiate activities before/by mid-FY 87.

IV. DESCRIPTION

The purpose of the Project is to develop the capability of the agricultural research community to provide a continuous flow of improved, appropriate technology that will lead to increased food production and improved incomes for farmers. The Project works directly with the most important Egyptian agricultural research organization, the Agricultural Research Center (ARC), and through the ARC with other institutions involved in agricultural research. The project provides funding for technical assistance and training aimed at improving the management, the research methods, and the professional competence of researchers. Its strategy emphasizes linking research and extension particularly by involving extension workers with researchers in farm level field trials and farmer managed demonstrations of improved technological packages. The technology generation and transfer thrusts of the project are reinforced by information utilization and dissemination, data collection and analysis, and seed processing activities. The ARC coordinates a research grants program to support agricultural experiments outside of the ARC, particularly with Egyptian universities, alone or in collaboration with US Title XII Universities.

V. IMPLEMENTATION PROGRESS

The Project Director who reports directly to the Minister of Agriculture has established an administrative unit. This unit is now fully staffed by senior ARC and MOA employees and gradually is assuming responsibility for administrative and financial affairs including the procurement of commodities. The administrative unit also serves the Project Director as an executive secretariat preparing correspondence in English and translating project documentation into Arabic as required. In addition, the Project Director has named advisory committees for various components of the project including construction, the library, the research grants program, training and crop protection.

The ARC has been responsive in fulfilling its implementation responsibilities. The ARC, according to the Project Paper, was to be assisted by a national agricultural research council (NARC) for overall coordination and guidance and a coordinating committee (CC) for advising on policy and planning issues. Both these entities were established by Ministerial Decree. They have fulfilled their functions; the NARC and CC have been responsive in that one or the other could be convened quickly to handle urgent matters.

The Project Director is now in the process of moving the administrative unit to an office near him in the Ministry building. The technical assistance team will also have offices nearby. While this administrative arrangement is different than originally envisioned by AID, it appears to be working well. Additional administrative and management details will be worked out when the TA team arrives.

The Project Director requested USAID to procure the services of a minority firm. This firm was to assist in initiating four activities namely, the development of an implementation plan for the life-of-the-project, an annual operating plan for FY 87, the development of an instrument to assist the training committee to make a training needs assessment and the selection of a firm to provide technical assistance. A final implementation plan has been received and the annual operating plan for FY 87 is nearly complete.

The selection of a TA contractor is nearly completed. A request for proposals from US educational institutions, international research organizations, and/or private firms to provide technical assistance was announced in the Commerce Business Daily (CBD) in mid February of 1986. Seven proposals were received on April 30. A selection committee reviewed these proposals and completed negotiations with the Consortium for International Development (CID). It appears that the CID will have the team leader in country by October and the remaining members of the team a few weeks later.

The firm contracted by AID at the request of the Project Director has developed a needs assessment document for the training committee. The assessment is expected to be ready by the time that the prime technical assistance contractor arrives. The contractor will then be able to use the results of the needs assessment as an input to developing a long range training plan with the ARC.

Meanwhile, through an implementation letter (PIL #6) procedures have been established for the NARP to fund participant trainees whose funding is terminating with the close out of their projects. The administrative unit is working with the USAID training office to amend the individual PIO/P's. In all, approximately 40 trainees will be transferred from the six terminating agricultural sector projects before the end of the present fiscal year. Long-term technical assistance to provide continued assistance to the MOA for the training component has been included in the TA contract.

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A facilities report which provides sketches of all 31 ARC research stations is being used to set construction priorities. A construction committee has been named to develop a plan and recommend priorities for the ARC's Board of Director's approval. The plan is expected to be ready for presentation to the Board by mid-September, 1986.

Meanwhile, the Board has identified the building which will be used to house the central library. This building is in need of minor refurbishing. However, some modifications in the special design of this building should be done in order to accommodate the electronic equipment that will be installed. This decision, however, should not be made until the information specialist on the technical assistance team is able to advise on the required changes.

Progress has been made on the grants program but it will not be operational until October when the Program Advisor arrives. Meanwhile, a committee has been established to develop policies, procedures, and criteria for the Board's approval. Once approved in principle, they will be transmitted to USAID for approval before the funds can be used.

An initial procurement request is being prepared by the administrative unit for commodities (office furnishing, equipment, and official vehicles) for the technical assistance team. Work has begun on a consolidated inventory of equipment in possession of the ARC or its affiliated research institutes. The administrative unit has responsibility for all commodity procurement activities.

In addition to the advisory committees, individuals have been appointed to serve as counterparts to the technical assistance team. Upon arrival of the contract team, responsibilities of each counterpart will be mutually agreed to in writing by the ARC and USAID. In the area of crop protection, for example, the counterpart has already initiated activities related to training in integrated pest management.

In general, implementation is on schedule. Most of the energy has been directed to getting the technical assistance contractor on-board. Other efforts were directed at preparing an environment so that once on-board, the technical assistance team will be able to begin work. The efforts of the counterparts have ensured that this will be the case.

The expenditures for the fiscal year ending September 30, 1986 will be less than 1 million. Commitments are expected to reach more than \$14 million by the end of FY 86. The Project Paper calls for a \$20 million obligation for FY 86.

The major implementation problem at this time is the lack of funds to continue the research activities begun under the terminating agricultural projects. This includes research on horticultural crops under the Agricultural Development Systems Project terminating on August 31, 1986; on rice under the Rice Research and Training Project terminating on February 28, 1987; and on wheat, sorghum, forage legumes and food legumes under the Egyptian Major Cereals Improvement Project also terminating on October 31, 1986.

When the projects were initiated, it was intended that the GOE would assume responsibility for all costs needed to operate the new Centers at the close of the projects. It now appears that the MOA will be unable to muster the resources to accomplish this.

A similar problem exists if the NARP is to expand the improved research methods developed under the terminating project to other crops or to adapt these methods to livestock research. The NARP design not only calls for extending the improved methods but also continually refining these methods. This is one of the primary objectives of the NARP, and one advisor, from the technical assistance team, the interdisciplinary research advisor, will be working on this aspect full time. As in the case of support to on-going research initiated under the terminating project, there are insufficient GOE funds allocated to support an expanded research program.

Changing dollars for pounds at the 1.35 rate will make approximately 60 percent more pounds available. It is too soon to make adjustments in the pound costs of any of the line items. The additional pounds would be effectively used to continue the research begun under the terminating projects and to initiate similar type research in other areas.

VI. PURPOSE OF AMENDMENT

The purpose of this amendment is to clarify elements of design which were not fully vetted at the time the PP was approved, to describe implementation to date, to

add a new component for research support and to revise the budget to allocate the local currency resources made available by using the highest official exchange rate. This rate is now approximately 1.35 Egyptian pounds to the US dollar. The exchange rate of 0.83 Egyptian pounds was used to calculate the costs in the Project Paper.

The estimated budget allocated \$61.3 million for local currency costs. This amount would have been converted into 50.9 million Egyptian pounds at the 0.83 exchange rate. \$37.7 million is required at the 1.35 rate, thus "freeing up" an additional \$23.6 million.

VII. CONTINUITY OF RESEARCH ACTIVITIES

The Project Paper makes reference to continuing or completing activities of ongoing AID-funded projects under the NARP. For example, the Project Paper mentions completing the work begun under the Rice and EMCIP Projects ... in seed production/distribution (P.P., p. 13). The NARP will complete any necessary construction related to the seed processing facilities and will procure equipment to move seed to and from the seed processing facilities. The estimated cost is \$300,000 in local currency for construction and \$500,000 in dollars for equipment. At the PACD for these two projects, a more precise estimate of costs to complete this component will be made.

Another activity to be continued under the NARP is the completion of the training program for participant trainees whose projects are terminating before their training will be concluded. Implementation Letter No. 6, dated March 9, 1986, provides guidance to MOA/ARC regarding the procedures to be followed to amend PIO/Ps so that NARP training funds can be accessed. The transfer of these participant trainees to NARP funding has already begun.

The major problem, however, is supporting research activities begun under the terminating AID-funded projects. On page 14 the Project Paper states that:

The NARP will absorb the Rice Research, EMCIP, Mechanization, ADS and other ongoing research related AID-funded projects. These projects currently have their own budgets which will assure their continuation into FY 86. Absorption of the research components of these projects by NARP is to be effected in such a manner that there is no interruption or delay in their ongoing present programs. Thus, NARP will be initiated at the already high level of activity with considerable in-place supporting facilities and equipment.

The Project Paper states that "priority research activities initiated under AID-funded projects which are ongoing but need funding for continuation" (P.P., p. 47) are excluded from the fulfillment of the conditions precedent required prior to disbursement for technical assistance. And although the Project Paper singles out these activities for funding, it does not provide guidance on the sources of that funding. There is no line item which can be charged to fund the expenses related to the conduct of priority research activities.

Most of these expenses would ordinarily be considered recurrent costs. However, the ARC lacks the financial resources to assume the costs of this research.

The ongoing AID-funded projects introduced the concept of interdisciplinary research which usually includes on-farm verification of research station findings. Interdisciplinary research mobilizes more people and requires complex design and management. This makes it more expensive, but the added costs are more than compensated by the increased returns to research.

On-farm research also greatly improves the quality of research. The added costs of doing on-farm research include transportation of researchers and materials to and from the experimental sites, establishing field verification and demonstration plots, contracting laborers to work on the verification trials, mobilizing farmers to participate in the demonstrations, and obtaining the collaboration of the local extension agents to monitor the crops on a day to day basis.

The ARC budget for operating costs barely covers normal operations and maintenance. Unless resources are found to cover additional costs to do interdisciplinary on-farm research, the ARC researchers who have worked under the AID-funded projects will be forced to revert to their traditional ways of conducting station research in isolation and often unrelated to farmers' problems. This will happen in spite of the fact that ARC senior management is convinced of the improved quality of research resulting from interdisciplinary on-farm research methods.

Project objectives would be constrained if there is insufficient funding to conduct interdisciplinary research. One objective, for example, is to improve research methods, e.g., institutionalize interdisciplinary research not only in the ARC but in

all Egyptian institutions doing agricultural research. The Project will be providing long-term technical assistance to improve research methods. This contribution will be completely frustrated if the ARC is unable to try out new and improved approaches using interdisciplinary teams working on-site.

VIII. RESEARCH SUPPORT PROGRAM

This amendment proposes to establish a line item which will make funds available to support the conduct of interdisciplinary research. The line item will be known as the Research Support Program and be similar to the Research Grants Program described in the original PP, the difference being that the latter program supports research outside of the ARC and the former program supports research within the ARC. The justification of the program is that the ARC needs assistance to meet the additional cost being incurred in developing and institutionalizing improved research methods. The quality of research depends greatly on the quality of the research methods.

To insure that this target will be met, any research funded under the Research Support Program must have at least a 25 percent GOE contribution. The annual internal evaluation required by the NARP's evaluation plan will report on recurrent costs and progress made by the GOE from year to year.

The estimated cost of the program is \$22.8 million. The calculation is based on an estimate of \$100,000 cost per year per experiment. Each experiment would average five years in duration. During the first year, 24 experiments would be funded. Twelve experiments would be added in the second year and 12 more in the third year. The total cost is calculated in the table below:

Table I
Project Year
(In Millions of \$)

<u>Funding</u> <u>Year</u>	<u>1st</u>	<u>2nd</u>	<u>3rd</u>	<u>4th</u>	<u>5th</u>	<u>6th</u>
1986	2.4	2.4	2.4	2.4	2.4	-
1987	-	1.2	1.2	1.2	1.2	1.2
1988	-	-	1.2	1.2	1.2	1.2
	<u>2.4</u>	<u>3.6</u>	<u>4.8</u>	<u>4.8</u>	<u>4.8</u>	<u>2.4</u>
Total		6.0	10.8	15.6	20.4	22.8

AID funds will be used primarily to support and conduct interdisciplinary and on-farm experiments. Funds will not be used to pay salaries or any other remuneration for ARC researchers.

The research support program can be used for setting up the interdisciplinary and on-farm field trials; for necessary inputs; for tools and simple equipment such as hydrometers, soil testers; for hiring laborers to assist in land preparation, cultivating, or harvesting; for transportation and per diem when scientists or participating farmers are away from their home bases. Also, expenditures related to conducting station research essential to the field experiment as well as those expenses incurred in doing laboratory analyses related to the experiment. Finally, documenting the experiment would also be considered a legitimate expense.

Improving communication among scientists from different disciplines is essential. Costs related to bringing scientists together to discuss progress or findings, or for conducting joint experiments would also be covered. For example, the Rice Project has found that weekly meetings of the interdisciplinary research team have greatly contributed to the quality of the research being conducted. Also, site visits between different specialists for the purpose of doing collaborative work is extremely necessary.

The recurrent costs which would be financed from project funds amounts to only 7 percent of the ARC's recurrent cost for the GOE fiscal year beginning July 1, 1986.

Current trends, however, do not indicate that the GOE will be able to continue financing interdisciplinary research and others research support costs when project funds are depleted. Taking inflation into account, the Ministry of Agriculture's research budget is actually declining annually while operating expense costs are increasing. This leaves a smaller and smaller share of the total budget available for research per se.

In the current period of GOE budget stringencies, research is not likely to capture an adequate share of the Ministry's budget. The Ministry's budget is severely constrained. By far the largest single budget item is salaries for its employees, and it will have difficulty reducing this line item. The GOE's June 1986 economic reform program contains plans to reduce overall employment levels substantially over the next three years through attrition, privatization and other measures. In addition, the budget reflects the high priority which the GOE affords to new land development.

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USAID and GOE are now engaged in a series of discussions on agricultural policy reforms, aimed at freeing up input and output prices, reducing mandatory crop quotas and allowing greater private sector participation in input supply and output procurement. If these policy reforms are put into place over the next two to three years, the demand for new varieties and technological packages produced through the research system will increase dramatically. Under these circumstances the GOE's willingness to allocate a larger budget will also increase. However, USAID should be prepared to continue to support activities of this nature at least on an annually-declining basis for several years beyond the PACD of the NARP, in any follow-on project which may be developed.

One might argue that it is inappropriate for AID to finance recurrent costs without a clear plan to phase over these costs to the GOE over the life of the project, and that we should hold off financing of such costs until the policy environment has changed, the demand for the products of research is clear, and the MOA demonstrates a shift in budget priorities towards research. But research cannot wait. Unless the technology is in place, farmers will be unable to respond to the incentives produced by agricultural policy reforms. Given the long lead-time needed to develop and test a new technology, and the rapidity with which pest and disease problems can follow, a strong and continuous research effort is essential.

AID policy on recurrent cost financing spells out four tests which should be met in any decision to support such costs:

- (a) an acceptable policy framework or clear movement toward such a framework;
- (b) assurance that recurrent cost support has higher development impact than new investments;
- (c) inability of the host country to undertake recurrent cost financing; and
- (d) a carefully phased plan for shifting to the host government.

In the case of Research Support, (b) and (c) apply. There is little value in adding to the research infrastructure without adequate funding for the interdisciplinary research itself; which the MOA is unable to provide. Clear movement towards an acceptable policy framework (a) under which the priority given to research is expected to increase, is occurring through the ongoing GOE-USAID

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discussions on agricultural policy, particularly through the Agricultural Production Credit Project. The realization of (d) depends on the GOE's success in undertaking needed agricultural policy reforms.

In approving this new recurrent-cost component, then, we acknowledge that future funding for this item after the project expires is problematic, but that the value of interdisciplinary research and the likelihood of major changes in the agriculture policy environment warrant this approach.

IX. PROCEDURES FOR RESEARCH SUPPORT PROGRAM

The MOA will establish criteria to be used in the selection process for approving the interdisciplinary research experiments for funding from the Research Support Program. The MOA will process the proposals, monitor progress and publish findings. AID reserves the right to approve the criteria and the procedures to be used by the implementing office.

Once approved by the MOA, the NARP Project Director will prepare the necessary documentation for the quarterly research proposals and submit them to USAID. The initial disbursement will be sufficient to cover the anticipated expenditures for the first 90 days. On certification by the Project Director that the funds have been utilized properly, additional disbursements can be made to cover the expenses for each subsequent period.

The primary objective of the program is to develop the capacity of the MOA to conduct interdisciplinary on-farm research using experimental design. Management of the experiment and documentation of the results are critical elements. The secondary objective is to generate improved agricultural technologies.

X. FINANCIAL PLAN

A revised financial plan based on an exchange rate of LE 1.35 to the US\$ is attached. The plan also contains the new line item for the Research Support Program under E. Services, line.

REVISED BUDGET
(\$000)

	\$	USAID LE \$ Equiv.	Total \$	GOE Contri- bution	Project Total AID&GOE
A. <u>Technical Assistance</u>					
a. Short-Term	5,300	-	5,300	400	5,700
b. Long-Term	9,400	-	9,400	700	10,100
Subtotal	<u>14,700</u>	-	<u>14,700</u>	<u>1,100</u>	<u>15,800</u>
B. <u>Training</u>					
a. Nondegree	4,500	12,296	16,796	1,200	17,996
b. Degree					
1) M.S., Ph.D.	6,000	492	6,492	500	6,992
2) Postdoctoral	2,500	492	2,992	300	3,292
Subtotal	<u>13,000</u>	<u>13,280</u>	<u>26,280</u>	<u>2,000</u>	<u>28,280</u>
C. <u>Construction</u>					
a. Laboratories	-	4,919	4,919	300	5,219
b. Farm Structures	-	307	307	60	367
c. Station Housing	-	800	800	1,000	1,800
d. Nat'l Research Library	-	922	922	280	1,202
e. Seed Facilities	-	307	307	60	367
Subtotal	-	<u>7,255</u>	<u>7,255</u>	<u>1,700</u>	<u>8,955</u>
D. <u>Commodities</u>					
a. Lab Equip. & Supplies	10,500	-	10,500	450	10,950
b. Farm Equipment	2,500	-	2,500	250	2,750
c. Nat'l Research Library	2,000	615	2,615	125	2,740
d. Seed Processing Equip.	500	-	500	25	525
e. Data Services	1,000	-	1,000	25	1,025
f. Vehicles	5,100	-	5,100	450	5,550
g. Administration	2,400	-	2,400	25	2,425
h. Demonstration Package	1,000	430	1,430	350	1,780
Subtotal	<u>25,000</u>	<u>1,045</u>	<u>26,045</u>	<u>1,700</u>	<u>27,745</u>
E. <u>Services</u>					
a. Salaries	-	-	-	62,000	62,000
b. Travel	1,100	-	1,100	400	1,500
c. Administration	-	615	615	500	1,115
d. Maintenance	-	1,353	1,353	125	1,478
e. Printing	-	307	307	25	332
f. Media	500	307	807	250	1,057
g. Research Grants Prog.	7,000	9,222	16,222	250	16,472
h. Research Support Prog.	-	22,800	22,800	5,700	28,500
i. Land Preparation	-	615	615	50	665
Subtotal	<u>8,600</u>	<u>35,219</u>	<u>43,819</u>	<u>69,300</u>	<u>113,119</u>
F. <u>Evaluation & Audit</u>					
a. Evaluation	500	-	500	100	600
b. Audit	100	-	100	-	100
Subtotal	<u>600</u>	-	<u>600</u>	<u>100</u>	<u>700</u>
<u>Contingencies</u>	6,800	4,501	11,301	4,100	15,401
Subtotal	<u>6,800</u>	<u>4,501</u>	<u>11,301</u>	<u>4,100</u>	<u>15,401</u>
TOTAL	<u>68,700</u>	<u>61,300</u>	<u>130,000</u>	<u>80,000</u>	<u>210,000</u>

XI. IMPLEMENTATION PLAN

The implementation plan remains the same except for the schedule which is hereby revised:

<u>Date</u>	<u>Action</u>	<u>Responsibility</u>
10/86	Technical Assistance team arrives	
10/86	Research Grant Program becomes operational	MOA/CID
12/86	Long-term Training Plan designed	CID
12/86	Seed component strategy determined	MOA/CID
12/86	Information utilization and dissemination strategy determined	CID
12/86	Construction/Renovation initiated	MOA
12/86	First internal evaluation conducted	MOA/AID/CID
1/87	First selection of candidates for graduate degree training	MOA
1/87	IFB for Construction/Renovation issued	MOA
3/87	Candidates selected for postgraduate training	MOA
6/87	Annual operation plan and budget drafted	MOA/CID
6/87	Construction/Renovation contract signed	MOA
8/87	First external evaluation conducted	AID
10/87	Construction contractor(s) mobilized	Contractors
12/87	Construction work begins	Contractors
12/87	Second internal annual evaluation	MOA/AID/CID
1/88	Second selection of candidates for graduate degree training	MOA
3/88	Candidates selected for postdoctoral training	MOA
6/88	Annual operating plan and budget drafted	MOA/CID
12/88	Annual internal evaluation conducted	MOA/AID/CID
1/89	Third and final selection of candidates for graduate degree training made	MOA
2/89	Second external evaluation conducted	AID
3/89	Candidates selected for postdoctoral training	AID
5/89	Annual operating plan and budget drafted	MOA/CID
6/89	Project audited	AID
12/89	Annual internal evaluation conducted	MOA/AID/CID
3/90	Candidates selected for postdoctoral training	MOA
6/90	Annual operating plan and budget drafted	MOA/CID
12/90	Annual internal evaluation conducted	MOA/AID/CID
6/91	Annual operating plan and budget drafted	MOA/CID
12/91	Annual internal evaluation conducted	MOA/AID/CID
6/92	Annual operating plan and budget drafted	MOA/AID/CID
12/92	Annual internal evaluation	MOA/CID
6/93	Final external evaluation conducted	AID
9/93	PACD	

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XII. EVALUATION PLAN

External evaluations will be held in the third and final years of the project. In addition, there will be annual internal, programmatic reviews to monitor implementation progress and problems, consisting of USAID, MOA, ARC and contractor staff. The first annual internal evaluation will be conducted on or about the first anniversary of the signing of the Grant Agreement (mid-September, 1986).

Because the first year's activity was primarily directed to fulfilling conditions precedent, and since the technical assistance team will not yet have arrived at post, there is little to be monitored. Instead this year's activity will be directed to formulating the major evaluation questions, reexamining the benchmarks identified in the project paper, and determining appropriate indicators and data collection needs for each.

The bench mark for private sector enhancement was established in the PP at 1,500 MT of certified seed produced and distributed by private seed companies. This figure is far below the present production and distribution of Pioneer Seed Company alone. The review scheduled for September will examine the latest data on Pioneer Seed, on imports of three or four vegetable seeds, and on at least three seeds being processed by the government owned Nuba Seed Company for comparative purposes.

The bench mark data for measuring pricing policy impact will be the price data from the annual report produced by the MOA Statistical Unit presently supported by the Data Collection and Analysis Project (0142). Farmgate prices for wheat, rice, lentils, ground nuts, tomatoes, berseem, cotton, maize, and sugar cane will be analyzed. Yield data will also be reviewed for these crops, and comparisons made to international levels.

To monitor recurrent costs and the increasing contribution of the GOE to cover recurrent costs, data will be collected on all 13 research institutes and on seven of the major research stations. This data will be used to establish base-line funding mechanisms.

Concurrently with the first annual review, USAID also plans to undertake an internal evaluation of USAID's past experiences in agricultural research, drawing mainly from project documents, contractor reports, project completion reports, and individual project evaluations. The evaluation will focus on lessons learned and generic issues in our previous agricultural research projects which should be

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considered in the NARP. Of special concern are institutionalization (e.g., have the research projects been incorporated into the mainstream of the MOA's research and extension effort, and if not, why not?); and duplication (e.g., of the several models for research development and dissemination used under AID-funded ag. research projects; which are the most effective? which have greatest applicability for transfer to other elements of the research system?). This evaluation, along with results of the first annual review, will feed into the NARP PP Amendment to be prepared in FY 87. The evaluation findings will also form part of the agenda for the second annual project review.

A preliminary evaluation plan, which proposes evaluation questions for consideration by participants at the first annual review, is attached as Annex B.

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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.

National Agricultural Research
Project 263-0152

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

A. GENERAL CRITERIA FOR PROJECT

1. FY 1986 Continuing Resolution Sec. 524; FAA Sec. 634A.

Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project.

The Committees will be notified in accordance with Agency notification procedures.

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$500,000, will there be (a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

(a) Yes.

(b) Yes.

3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

The People's Assembly is expected to ratify the grant agreement amendment in a timely fashion. It has ratified prior grant agreements.

4. FMA Sec. 611(E); FY 1986 Continuing Resolution Sec. 501. If for water or water-related land resource construction, has project met the principles, standards, and procedures established pursuant to the Water Resources Planning Act (42 U.S.C. 1962, et seq.)? (See AID Handbook 3 for new guidelines.)

Yes.

5. FMA 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?

The Mission Director will make the required Section 611(e) certification prior to authorization.

6. FMA 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. FMA 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.

The Project will encourage international agricultural research and the Egyptian private agricultural sector.

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).

The Project will use the private sector to the maximum extent feasible.

9. FAA Sec. 612(b), 636(h); FY 1986 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.

Egypt is not an excess currency country.

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.

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 1986 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?

The Project will finance research in crops that are not in surplus and are not likely to cause substantial injury to U.S. procedures.

13. FAA 118(c) and (d). Does the project comply with the environmental procedures set forth in AID Regulation 16. Does the project or program take into consideration the problem of the destruction of tropical forests?

Yes.

N.A.

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

N.A.

15. FY 1986 Continuing Resolution Sec. 533. Is disbursement of the assistance conditioned solely on the basis of the policies of any multilateral institution?

No.

16. ISDCA of 1985 Sec. 310. For development assistance projects, how much of the funds will be available only for activities of economically and socially disadvantaged enterprises, historically black colleges and universities, and private and voluntary organizations which are controlled by individuals who are black Americans, Hispanic Americans, or Native Americans, or who are economically or socially disadvantaged (including women)?

N.A.

3. Economic Support Fund Project
Criteria

- a. FAA Sec. 531 (a). Will this assistance promote economic and political stability? To the maximum extent feasible, is this assistance consistent with the policy directions, purposes, and programs of part I of the FAA? Yes.
- b. FAA Sec. 531 (c). Will assistance under this chapter be used for military, or paramilitary activities? No.
- c. ISDCA of 1985 Sec. 207. 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 country is a party to the Treaty on the Non-Proliferation of Nuclear Weapons or the Treaty for the Prohibition of Nuclear Weapons in Latin America (the "Treaty of Tlatelolco"), cooperates fully with the IAEA, and pursues nonproliferation policies consistent with those of the United States? No.
- d. FMA 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? No.

- 4. FAA Sec. 604(e); ISPCA 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.

FMA Sec. 604(a). Will construction or engineering services be procured from firms of countries which receive direct economic assistance under the FMA 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.

FMA 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.

FMA 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 1986 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. FMA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services be used?

U.S. engineering and professional services will be used to the maximum extent feasible.

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

Yes.

3. FMA 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 use of financing:

a. FAA Sec. 104(f); FY 1986 Continuing Resolution Sec. 526. (1) To pay for performance of abortions as a method of family planning or to motivate or coerce persons to practice 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

Yes.

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. 488. To reimburse persons, in the form of cash payments, whose illicit drug crops are eradicated?

Yes.

c. FAA Sec. 620(7). To compensate owners for expropriated nationalized property?

Yes.

d. 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.

e. FAA Sec. 662. For CIA activities?

Yes.

f. 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.

- g. FY 1986 Continuing Resolution, Sec. 503.
To pay pensions, annuities, retirement pay, or adjusted service compensation for military personnel? Yes.

- h. FY 1986 Continuing Resolution, Sec. 505.
To pay U.N. assessments, arrearages or dues? Yes.

- i. FY 1986 Continuing Resolution, Sec. 506.
To carry out provisions of FAA section 209(d) (transfer of FAA funds to multilateral organizations for lending)? Yes.

- j. FY 1986 Continuing Resolution, Sec. 510.
To finance the export of nuclear equipment, fuel, or technology? Yes.

- k. FY 1986 Continuing Resolution, Sec. 511.
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? Yes.

- l. FY 1986 Continuing Resolution, Sec. 515.
To be used for publicity or propaganda purposes within U.S. not authorized by Congress? Yes.

National Agricultural Research (NARP)
263-0152
Evaluation System

I. PURPOSE:

The purpose of the evaluation system for the NARP is to determine the following:

- how effectively research information is obtained;
- how effectively research information is used by various user groups;
- extent to which recurrent costs for research are being incrementally assumed by the GOE;
- extent to which research procedures and priorities are being institutionalized in ARC research units; and
- impact of research efforts on
 - (a) ARC staff researchers
 - (b) ARC management
 - (c) governorate level staff and management
 - (d) farm level

II. METHODOLOGY

A. Scope of Evaluations: Evaluation activities will include the following types of efforts:

1. External or Major Evaluations during the third, and final year of the project. Design of these evaluations will go beyond the logical framework to focus on the impact of research activities on agricultural production;
2. Annual Program Reviews will be carried out each September or October following the end of the GOE fiscal year. The purpose of these reviews will be to summarize research progress for each of the research units under the ARC and to identify specific monitoring and evaluation needs for upcoming internal and external evaluations scheduled for the project. Special attention will be focused on the following:
 - (a) crop yields as measured by national averages of the crop for which an improved technology package is being used;
 - (b) pricing policy impact as measured by changes in farming gate prices reported for that particular year;

- (c) private sector involvement as measured by specific inputs such as seed produced and distributed by private sector companies;
- (d) extent to which GOF Contribution to cover recurrent costs is increasing; and
- (e) extent to which research procedures and priorities are being institutionalized in ARC research units.

3. Special Studies

Special studies to be undertaken will be identified during the first annual internal review.

4. External Evaluations

At the end of year one three first annual program review will be conducted. The purpose of this review will be threefold: 1) to assess the status of research progress, 2) identify special studies that could facilitate implementation; and 3) provide the bases for the first external evaluation to be carried out the following year.

Questions required to be answered will be at the input-output level because it will be too soon to address purpose and goal level questions.

At the end of year two the first external evaluation will be conducted. The key data base for this evaluation will be the annual program review of the previous years. The level of questions to be answered will be at the output and purpose levels. Goal level questions will not be appropriate at this time.

At the end of year three a program review will be conducted to assess the status of institutionalization and management of research activities.

At the end of the project the second external evaluation will determine the impact of this project on national production increases, adoption rates of improved technology by farmers and the extent to which an improved research capability has led to an increase in farmers' income opportunities.

Evaluation Framework
Annual Program Review
Input/Output Level Questions

Evaluation Questions

A. Technical Assistance

1. How is long-term technical assistance being used in research units?
2. How is short-term technical assistance being used in research units.

B. Training

1. Is the purpose and nature of short-term training appropriate to research tasks. Who is being trained?
2. Is any long-term training required? To accomplish what?
3. Is the training needs assessment completed? How is it being translated into the training program?

C. Commodities

How are the following being used:

1. Lab equipment and supplies
2. Farm equipment
3. Library equipment
4. Seed processing equipment
5. Data processing equipment
6. Vehicles
7. Office equipment

D. Recurrent Costs

- Is GOE contribution to cover recurrent costs increasing?
- Is GOE contribution for research support increasing?

Means of Measurement

Contractor reports and field visits.

Identification of specific research tasks that lead to improved technologies. Follow-up questionnaire from sample of trainees and supervisors or research center chiefs to be given 3 months after training, and to be ready by time of annual review.

Observations/site visits/discussions with research personnel. It is anticipated that there will be ___ site visits to each of the ___ research centers annually, by USAID and MOA staff.

Budget records of the 13 research institutes
ARC budget records.

Who and When

USAID/NARP project officer and research centers will monitor status of TA from start-up contract.

ARC Administrative Unit with USAID oversight.

USAID/ARC Program Review Team will review, based on personal observation and review of site visit reports.

USAID/MOA Program Review Team.

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Evaluation Framework
Year Three: External Evaluation
Purpose and Output Level

Evaluation Questions

1. Is the ARC providing a continuous flow of improved appropriate agriculture technology?

Means of Measurement

Review of varieties tested and disseminated during the past year from the research centers, through lab reports and contractor reports.

Who and When

Evaluation Team

2. Is research generated data being used by ARC decision-makers for policy and planning purposes?

Description of the ARC's policy and planning process in determining research priorities, based on discussion with ARC leadership and, if possible, attendance at meetings during which new research agenda are set.

Evaluation Team

3. How are research results disseminated to farmers?

Field visits.

Evaluation Team

4. What is level of acceptance by farmers? The response to this question should be disaggregated by gender.

5. Are standard management procedures being used in each of the research units and experiment stations?

Field visits, laboratory records and contractor reports.

Evaluation Team

6. How has short-term training benefited the different research units?

Observations and research reports.

Evaluation Team

7. Is the requisite number of participants being trained? Are they being returned to their same jobs in the ARC after training?

ARC personnel records.

Evaluation Team

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Evaluation Questions

8. Does the Data Collection and Analysis (DCA) component of the MDA provide timely and accurate agricultural production data?

9. How do ARC research units use this data?

10. Is there sufficient certified seed available to meet farmers' needs?

11. What are indicators of institutionalization of research efforts?

Means of Measurement

DCA reports.
Interviews with report users.

Research test results.
Revised research plans.

Field visits.

Improved skills efficiency;
knowledge of
research staff; management
commitment to recurrent
and other costs.

Who and When

Evaluation Team

Evaluation Team

Evaluation Team

Evaluation Team

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Evaluation Framework
External Impact Evaluation
Purpose/Goal Level

Evaluation Questions

1. Is this project resulting in increased agricultural production at the national level?

Means of Measurement

National production data reports, disaggregating crops on which research efforts were focused.

Who and When

Evaluation Team

2. Has the quality of technologies available to farmers improved as a result of this project?

Observations and field visits. Research statistics on yields; MOA statistics on extent or farmer usage of ARC varieties.

Evaluation Team

3. Is the farmer realizing an increase in income from production as a result of this project? Responses should be disaggregated by gender.

Farm household interviews
MOA statistics on yields for major crops.

Evaluation Team

4. Has an improved research capability had any impact on policy reform?

MOA records. General Assembly records.

Evaluation Team

5. (a) What are the recurrent costs attached to maintenance and operation of research activities?
(b) How will research activities be sustained at end of project?

Interviews with MOA and ARC officials. MOA budget records.

Evaluation Team

6. What are linkages between research centers and private distributors?

Interviews with ARC and private sector officials.

Evaluation Team

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611(a) Determination

The Project requires the refurbishment of 91 laboratories and 12 greenhouses, a main library facility and eight branch libraries, and farm structures at five research stations. Only the libraries will be refurbished during the first phase of the Project. The estimated cost to refurbish the library is \$500,000 for main facility and \$125,000 for each of the eight branch facilities. In addition, construction of seed receiving, processing and storage facilities is required with an estimated cost of \$300,000.

The cost estimates are based on site visits to the research stations by the team of consultants working on pre-project design and by the USAID/Egypt engineer familiar with construction costs in Egypt. An A. & E. firm will be employed to prepare plans and specifications and final costs estimates as well as to provide site inspection and supervision in accordance with U.D. 11. Subsequent funding for construction will be based on the cost estimates of A. & E. firms developed during the first phase of the Project. These A. & E. services are estimated to cost \$2,000,000.

Short-term technical assistance will require 321 person months of consultants. The average monthly cost of short-term technical assistance is estimated at \$16,500.

Long-term technical assistance will require 46.8 person years of resident advisors. The estimated cost of the technical assistance is \$200,000 per year which includes salaries, benefits, allowances and overhead. The total cost of the technical assistance contract is estimated at \$14,700,000.

Long-term training will require \$2,000,000 and short-term training an additional \$1,300,000 during the initial phase.

Equipment and supplies for the laboratories will be ordered during the first phase. The estimated cost for each laboratory is \$250,000. This estimate is based on consultant's calculations on the type of equipment and supplies required for agricultural research. The total amount required for these commodities is \$5,000,000.

Other funding requirements are for the research grants program. Collaborative research with U.S. universities is estimated at \$250,000 for each study and at \$50,000 with local institutions. Ten grants are planned with U.S. universities and 14 with local institutions during the initial phase for a total of \$3,200.

611(e) Certification

Background

The National Agricultural Research Project is authorized for \$130 million to be programmed over seven years. These funds will finance training, construction, commodities and equipment, and both long and short-term technical assistance. The goal of this project is to increase the quantity and quality of improved agricultural technology available to farmers.

Major components of the project include support for Data Collection and Analysis, a National Agricultural Library, Seed Research Center, university and private sector agricultural research. Laboratories will be refurbished and equipped, computers and software will be provided for data analysis and information cataloging and retrieval. Printing services and multimedia will be used in the National Agricultural Library to facilitate rapid dissemination of research findings.

Maintenance for both buildings and vehicles has been budgeted. Degree and non-degree training will provide the manpower training necessary to staff research stations and support institutions. The maintenance and utilization of projects previously financed by AID in Egypt has been satisfactory and support the conclusion that the GOE has the capacity to install, maintain and utilize the project.

Certification Pursuant to Section 611(e)
of FAA 1961 as Amended

I, Frank B. Kimball, Director, the Principal Officer of the Agency for International Development in Egypt, having taken into account, among other things, the maintenance and utilization of projects in Egypt previously financed or assisted by the United States and technical assistance and training planned under this project do hereby certify that in my judgment Egypt effectively install, maintain and utilize the National Agricultural Research Project.



Frank B. Kimball
Mission Director.

A.I.D. Project Number 263-0152

FIRST
AMENDMENT
TO THE
PROJECT
GRANT AGREEMENT
BETWEEN
THE ARAB REPUBLIC OF EGYPT
AND THE
UNITED STATES OF AMERICA
FOR
NATIONAL AGRICULTURAL
RESEARCH PROJECT

Dated: 9/10/86

Doc. NARP0152 Disk GA I

4/3

First Amendment, dated _____ to the Grant Agreement, dated September 12, 1985, between the Arab Republic of Egypt ("Grantee") and the United States of America, acting through the Agency for International Development ("A.I.D.") for Development Training.

SECTION 1. The Grant Agreement is hereby amended as follows:

A. Section 3.1 is amended by deleting "Thirty Million United States ("U.S.") Dollars (\$30,000,000)" and by substituting "Forty-five Million United States ("U.S.") Dollars (\$45,000,000)" therefor.

B. Section 3.2 (b) is amended by deleting "For the first year, the amount contributed will be Ten Million Egyptian Pounds (L.E. 10,000,000) including costs borne on an in-kind basis" and substituting "The Grantee shall provide Twenty Million Egyptian Pounds (L.E. 20,000,000) as its incremental share of Project financing, including costs borne on an in-kind basis" therefor.

C. Section 3.3(a) is amended by deleting "September 30, 1992" and substituting "September 30, 1993" therefor.

D. Annex 1, Project Description, of the Grant Agreement is amended by adding the attached description of the Research Support Program at page 4 of Annex 1.

E. The Illustrative Financial Plan, Table I, is deleted in its entirety and the attached revised Illustrative Financial Plan substituted therefor. This illustrative plan may be revised upon mutual agreement of the Parties by Project Implementation Letter.

SECTION 2. Ratification: The Grantee will take all necessary action to complete all legal procedures necessary to ratification of this First Amendment and will notify A.I.D. as promptly as possible of the fact of such ratification.

SECTION 3. Language of this Amendment. This Amendment is prepared in both English and Arabic. In the event of ambiguity or conflict between the two versions, the English language version will prevail.

SECTION 4. Except as specifically amended or modified herein, the Grant Agreement shall remain in full force and effect in accordance with all of its terms.

SECTION 5. This First Amendment shall enter into force when signed by both parties hereto.

IN WITNESS WHEREOF, the Arab Republic of Egypt and the United States of America, each acting through its respective duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

UNITED STATES OF AMERICA

BY : _____

BY : _____

NAME : Kamal Ahmed El Ganzouty

NAME : Frank G. Wisner

TITLE: Deputy Prime Minister
Minister of Planning and
International Cooperation

TITLE: American Ambassador

BY : _____

BY : _____

NAME : Ahmad Abdel Salam Zaki

NAME Frank B. Kimball

TITLE: Administrator of the Department
for Economic Cooperation with
U.S.A.

TITLE: Director, USAID/Egypt

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Implementing Organizations

In acknowledgement of the foregoing Agreement, the following representative of the implementing organization has subscribed his name:

MINISTRY OF AGRICULTURE

BY : _____

NAME : _____

TITLE: _____

Project Description

This amendment accomplishes the following:

- Adds \$15 million in obligations for a new total obligation of \$45 million. The new funds have been added to finance FY 1987 activities as listed:

Construction	\$ 3 million
Commodities	\$ 3 million
Services	\$ 6 million
Training	\$ 3 million
	<u>\$ 15 million</u>

The total funding level of the project remains at \$130 million.

- Extends the Project Activity Completion Date from September 30, 1992 until September 30, 1993.
- Revises the US dollar amount converted to Egyptian pounds. Because the original Project Paper budget was calculated at \$1 = LE .83, and the new exchange rate is \$1 = LE 1.35, there is an additional \$22.8 million available for reprogramming in the project.
- Establishes a new project component, under the services line, called Research Support Program. This component is designed to make funds available to the MOA to support interdisciplinary and on-farm agricultural research. The previously established Research Grants Program supports research outside of the ARC. The Research Support Program supports research with the ARC with particular attention to supporting various aspects of agricultural research initiated under other AID/GOE projects which have terminated or will terminate in the near future.

The MOA will establish criteria to be used in the selection process for approving the interdisciplinary research experiments for funding from the Research Support Program. The MOA will process the proposals, monitor progress and publish findings. AID reserves the right to approve the criteria and the procedures to be used by the implementing office.

For clarity, funding for the Research Support Program is shown under the Services category as a non-add item.

Footnote to Budget: Please note that the revised budget shows the AID contribution in both \$ and \$ to be converted to LE.

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REVISED BUDGET
AMENDMENT 1
NATIONAL AGRICULTURAL RESEARCH
PROJECT FINANCIAL PLAN
(000's)

TABLE I

PROJECT NO. 263-0152

As of September 1986

Project Inputs	Cumulative Obligations As of September, 1986			Future Years Anticipated			Total			
	AID \$	AID \$ OF LE	GCE LE	AID \$	AID \$ OF LE	GCE LE	AID \$	AID \$ OF LE	Total AID	GCE LE
1. Consultant Services/Staff Research	14,700	0	600	-		800	14,700	0	14,700	1,400
2. Training										
In-Country	-	3,500	1,000	-	9,780	700	-	13,280	26,280	1,700
External	2,800		400	10,200	-	600	13,000	-		1,000
3. Construction	-	4,000	2,000	-	3,255	700	-	7,255	7,255	2,700
4. Commodities	5,000	1,000	2,000	20,000	45	700	25,000	1,045	26,045	2,700
5. Services										
* Research Support Program	<u>3,000</u>	<u>9,000</u>	<u>14,000</u>	<u>5,600</u>	<u>26,219</u>	<u>52,300</u>	<u>8,600</u>	<u>35,219</u>	<u>43,819</u>	<u>66,300</u>
	-	(6,000)	-	-	(16,800)	-	-	(22,800)	-	-
6. Evaluation & Audit	-	-	-	600	-	100	600	-	600	100
7. Contingencies	1,000	1,000	-	5,800	3,501	4,100	6,800	4,501	11,301	4,100
TOTAL	26,500	18,500	20,000	42,200	42,800	60,000	68,700	61,300	130,000	80,000

* New Component - Non - add