

UNITED STATES AGENCY for ¹INTERNATIONAL DEVELOPMENT

CESC - EGYPT USAID

CAIRO, EGYPT

-PD-ABS-640
FSN-91262

DEC 14 1983

The International Executive Service Corps
1078 Corniche El Nil
Garden City, Cairo
Egypt.

Grant No. 263-0159-G-00-4019-00

Gentlemen:

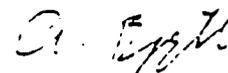
Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "AID" or "Grantor") hereby grant to The International Executive Service Corps (hereinafter referred to as "IESC" or "Grantee") the sum of \$1,000,000 to provide support for Technology Transfer under the Business Support and Investment Project, as more fully described in the attachment to this Grant entitled "Program Description".

The Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period 13 January 1983 through 30 September 1986.

This Grant is made to IESC on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1 entitled "Program Description," and Attachment 2 entitled "Standard Provisions," which have been agreed to by your organization.

Please sign the Statement of Assurance of Compliance and six (6) copies of this letter to acknowledge your understanding of the conditions under which these funds have been granted. Please return five (5) copies of the Statement of Assurance of Compliance and the original and five (5) copies of this Grant to the Grant Officer, USAID/Cairo, LEG/CSO, P.C. Box 10, FPO New York 09527.

Sincerely,



A. Bjorlykke
Grant Officer

Attachments:

1. Program Description
2. Standard Provisions
3. Statement of Assurance of Compliance

Accepted:

Organization:

CFSG

By:

John J. Holliston

Title:

Country Director

Date:

DEC 14 1983

Appropriation No: 72-1131037
Budget Plan Code: NESA-83-23263-KG13
PIO/T: 263-0159-3-30034

PROGRAM DESCRIPTION

A. BACKGROUND

On September 12, 1983, the Grant Agreement between the Arab Republic of Egypt (Grantee) and the United States of America, acting through the Agency for International Development (A.I.D.), for the Business Support and Investment Project was signed. The overall implementing organization under the Grant is the Ministry of Investment and International Cooperation (MIIC). The Project, financed under the Grant, funds five activities to improve the private business environment: (i) Capital Markets Development, (ii) Strengthening Accounting, Financial Reporting and Auditing, (iii) Legal and Financial Infrastructure Modernization, (iv) a program to assist the General Authority for Investment and Free Zones, and (v) Technology Transfer through the IESC.

This sub-grant provides funds for activity (v), Technology Transfer through the IESC.

Targeted, quick-response technical assistance, based on practical experience, and which addresses direct business needs, is a valuable resource for improving both the skills and the productivity of Egyptian industry. Too often, the capital equipment, organizational structure, and management skills of Egyptian industry have proven to be antiquated and incapable of meeting quality standards of international competition. This activity is designed to assist those businessmen demonstrating the desire to improve operations by sharing the cost of direct technical assistance. The International Executive Service Corps (IESC), a private voluntary organization, is ideally suited to provide this assistance.

B. OBJECTIVE:

The objective of this activity is to provide short-term, client-specific technical services to solve a broad range of industrial, technical and managerial problems, e.g. quality control, materials handling, organizational structure, marketing, etc. The USAID assistance to the IESC clientele will be targeted for activities primarily in the private sector which increase productivity capacity, increase company efficiency, improve product quality and/or upgrade company operations.

C. OUTPUTS:

Approximately eighty (80) individual project subactivities will be carried out under the project. For appraisal purposes, the IESC will use its best efforts to provide USAID with a client-assisted review on progress six months after each project is completed. These reports will assist USAID in determining benefits derived by businessmen from IESC.

D. DESCRIPTION OF SERVICES:

Specifically, the technical advisory services to be provided by IESC will consist of the follow-up:

1. IESC will target not less than eighty (80) projects starts to be completed by the Project Assistance Completion Date (PACD) of September 30, 1986, selecting undertakings which are outside USAID/Cairo's scope of interest (in terms of size of activity, type of firm, etc.) and which are specifically described in the IESC/client agreement.
2. IESC, through the Country Director's activities, will review client needs, evaluate them determine client viability and rationale, monitor progress, establish an agreed project plan between client and volunteer executive, assist the volunteer in orientation and close out the project inclusive of client-to-IESC evaluation.
3. IESC will give priority attention and emphasis to approving private sector client project applications.
4. IESC will attempt to secure maximum contributory fees from each client project which receives AID financing support.

E. BUDGET:

Funds in an amount not to exceed \$1,000,000 or its equivalent in Egyptian Pounds (LE) shall be made available to support IESC activities under Paragraph D above subject to the following conditions:

1. USAID will review funding assistance requests from the IESC. Requests which favor large or profitable concerns, or other concerns with a clear ability to repay, will be discouraged. Requests for assistance to intermediate trading firms also will be discouraged.

2. Reimbursement of any costs under this Grant shall be limited to the following cost categories: (i) per diem expenses authorized under U.S. Standardized Regulations, (ii) lowest cost economy air fare for international travel, (iii) local project travel, and support costs, and (iv) Country Director Support Costs
3. Reimbursement of costs shall be limited to a maximum \$12,500 or its equivalent under each request approved pursuant to the procedures set forth in Paragraph F below. The reimbursable amount is not to exceed 75 percent of the IESC assistance cost to small firms (those with less than 25 employees or combined debt and equity of less than LE 100,000). Firms not meeting these criteria are entitled to assistance not to exceed \$12,500 or its equivalent based on 50 percent sharing of actual eligible costs incurred. Dollar expenses shall be reimbursed in Dollars and Egyptian Pound expenses shall be reimbursed in Pounds.
4. IESC may request exceptions to these limits for other than small firms. Exceptions for increasing the assistance from 50 to 75 percent, but not the \$12,500 or its equivalent maximum, will be on the merits of each case as determined by AID.

F. PROCEDURES FOR OBTAINING FUNDING APPROVAL AND PAYMENT FOR SERVICES RENDERED

Prior to obtaining reimbursement for expenditures made pursuant to Paragraph E (Budget), the Grantee shall comply with the following:

1. IESC must submit a letter of request to AID for funding approval. This letter of request should be accompanied by a copy of the executed IESC/client agreement.
2. Responses to the request will be formally communicated to IESC within the thirty calendar of receipt of the request by AID. Non-response to the request within that period will constitute approval.
3. If funding for a public sector company is sought by IESC, IESC will submit a justification for approval with its funding letter request to AID.
4. The IESC letter of request for AID funding should be accompanied by a budget supporting the amount of assistance requested from AID by line item according to the format given in Attachment A entitled Funding Request. After review of the submission, AID will issue a letter of approval or non-approval to the IESC within 30 calendar days of receipt of the request from IESC.
5. To obtain reimbursement for services, IESC shall submit a request for payment which should be accompanied by a certified fiscal report from the IESC Country Director according to the format given in Attachment B entitled Certified Fiscal Report. After review of the IESC Certification, AID will process the invoice for payment. IESC will maintain records of any documentation necessary to support the certification.

g. REPORTS

The following reports shall be furnished:

- (a) Unless otherwise provided in the schedule of this contract, the contractor shall prepare and submit to the Contracting Officer one copy, and the Mission five copies, of a quarterly report, within 45 days following the end of the period being covered, which shall include the following:
 - (i) A substantive report covering the status of the work under the contract, indicating progress made with respect thereto, setting forth plans for the ensuing period, including recommendations covering the current needs in the fields of activity covered under the terms of this contract. This narrative report shall include a summary of work performed in specific economic sectors, such as steel, textile, etc.
 - (ii) An administrative report covering expenditures, and personnel employed under the contract.
- (b) Contractor shall prepare and submit to the Contracting Officer such other reports as may be specified in the schedule.
- (c) Unless otherwise provided in the schedule of this contract, at the conclusion of the work hereunder, the Contractor shall prepare and submit to the Contracting Officer one copy, and to the Mission five copies, of a final report which summarizes the accomplishments of the assignment, methods of work used and recommendations regarding unfinished work and/or program continuation. The final report shall be submitted within 60 days after completion of the work hereunder unless required date of submission is extended by the Contracting Officer.
- (d) IESC will provide AID a copy of all reports submitted to the client as detailed in IESC exhibits B-1, B-2, C-1, C-2, C-3, and (b) Form 510.

IESC ESTIMATED PROJECT PROJECTION

	<u>FYS 83/84</u>	<u>FY 1985</u>	<u>FY 1986</u>	<u>TOTAL</u>
Number of Projects	25	30	25	80
Reimbursement Ceiling (US\$ or LE equivalent)	<u>\$12,500</u>	<u>\$12,500</u>	<u>\$12,500</u>	<u>-</u>
Total of AID Reimbursement	\$312,500	\$375,000	\$312,500	\$1,000,000

ESTIMATED BUDGET FOR U.S. DOLLAR PORTION OF IESC FUNDING REQUEST

	<u>U.S. Dollar Equivalent</u>
International Travel USA/Cairo/USA	\$2,000.00
Per Diem	7,560.00
Local Project Travel in Egypt, and Support Costs	2,540.00
Country Director Support Cost	<u>400.00</u>
TOTAL	\$12,500.00

The above budget is illustrative only. Actual expenses to be reimbursed will be accounted for and vouchered for in accordance with the terms and conditions of the basic Grant. The Grantee may make adjustments within the above budget line items but may not exceed the total estimated per request amount of \$12,500. The estimated total equivalent of \$1,000,000 is based on the assumed approval of approximately 80 projects to be recommended by IESC to AID for reimbursement according to the terms of paragraphs E and F above, Reimbursement shall be in U.S. Dollars or its equivalent in local currency per the terms, conditions and limits described in Sections D and E of Attachment 1.

FUNDING REQUEST (SAMPLE)

<u>Description</u>	<u>Total Project Costs</u>		<u>AID Funded Portion</u>			
	<u>\$</u>	<u>LE</u>	<u>\$</u>	<u>LE</u>	<u>(\$ Equiv)</u>	<u>Total \$ + \$ Equi</u>
Int. Travel, including en route expenses	4,000		2,000			2,000
Per Diem in Egypt	15,120		7,560			7,560
Local Project Travel and support		4,290		2,145	(2,579)	2,579
Country Director Support Costs		600		300	(361)	361
TOTAL	\$19,120	LE4,890	\$9,560	LE2,445	(\$2,940)	\$12,500

The above budget is illustrative only. Actual expenses may vary among line items and between U.S. dollars and Egyptian Pounds as necessary to complete the project but in no case may expenses funded by AID exceed \$12,500.00 or its equivalent in Egyptian Pounds. Dollar expenses shall be reimbursed in dollars and Egyptian Pound expenses shall be reimbursed in Pounds.

CERTIFIED FISCAL REPORT (SAMPLE)

<u>Description</u>	<u>Total Actual Project Costs</u>		<u>Reimbursable by AID</u>			
	<u>\$</u>	<u>LE</u>	<u>\$</u>	<u>LE</u>	<u>(\$ Equiv)</u>	<u>Total \$ +\$ Equiv</u>
Int. Travel, including						
en route expenses	6,000		3,000			3,000
Per Diem in Egypt	10,120		5,500			5,500
Local Project Travel and support		3,200		1,600	(1,924)	1,924
Country Director Support Costs		480		240	(289)	289
TOTAL	\$16,000	LE3,680	\$8,000	LE1,840	(\$2,213)	\$10,213

Expenses reported above constitute no more than 50% (75%) of the total costs of this Project. Airfare expenses billed above, if any, are for travel on American carriers, and do not exceed economy class fares (YE) by usually traveled routes. Per diem costs conform to those established by the Standardized Regulations for U.S. direct hire employees. All expenses reported above are attributable to IESC executives and not to accompanying dependents, if any.

I. SPECIAL PROVISION

The following Standard Provisions contained in Attachment 2, hereto, are hereby DELETED:

- 5A - Negotiated Overhead Rates - Predetermined.
- 5B - Negotiated Overhead Rates - Non Profit Organizations Other Than Educational Institution.
- 7A - Payment - FRCC.
- 7B - Payment - Periodic Advances.
- 10A - Procurement of Goods and Services Under \$250,000.
- 10B - Procurement of Goods and Services Over \$250,000.
- 13A - Title to and Use of Property.
- 13B - Title to and Care of Property (U.S. Government Title).
- 13C - Title to and Care of Property (Cooperating Country Title).

Project No. _____ Country _____

3. If possible, estimate the degree of improvement or achievement which you hope to attain. Use numerical values where the initial conditions were stated in these terms.

4. Describe the steps or stages in which you plan to perform the work and estimate the approximate time which will be required for each stage.

IESC Volunteer Executive

Approved _____

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VOLUNTEER EXECUTIVE'S REPORT OF ASSISTANCE RENDERED

Project No. _____ Country _____ Date _____
Client _____ IESC Volunteer Executive _____

1. Describe in reasonable detail the actual assistance rendered and the sequence of actions in which you engaged. Please include any circumstances affecting the project, such as relations with the client, working conditions, illness, etc.

VOLUNTEER EXECUTIVE'S REPORT OF ASSISTANCE RENDERED

Project No. _____ Country _____

2. How do the results achieved compare with the baseline conditions and goals outlined in paragraphs 1 and 2 of Exhibit B-1?

3. How will this project benefit the client organization, its employees and/or other people and organizations, in ways not obvious from the achievements described in paragraphs 1 and 2?

Project no. _____ Country _____

4. What improvements and changes have already been achieved and what recommendations or plans are still to be implemented? If you were to visit this organization a year from now, where would you look to evaluate the ultimate effect of your work?

5. In retrospect, is there any way in which this could have been made a more effective project?

PROJECT NO. _____ DATE STARTED _____ DATE COMPLETED _____

1. COMMENTS ON SUCCESS OF PROJECT:

2. EVALUATION OF PROJECT IN TERMS OF POTENTIAL CONTRIBUTION TO THE ECONOMY OF THE COUNTRY:

3. COULD THIS PROJECT HAVE SUBSTANTIAL EFFECT ON ENTERPRISES OTHER THAN THE CLIENT ORGANIZATION? IF SO, EXPLAIN:

4. CLIENT'S COMMENTS ON THE SUCCESS OF PROJECT (COUNTRY DIRECTOR MUST ALSO GET CLIENT'S EVALUATION IN WRITING):

5. IF PROJECT IS NOT TO BE USED FOR PUBLICITY, STATE REASON:

DATE _____

COUNTRY DIRECTOR