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***UNITED STATES
ECONOMIC ASSISTANCE
TO
EGYPT***

STATUS REPORT

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ABOUT THIS PUBLICATION

The USAID/Egypt Status Report, prepared by the Program Development and Support Directorate, contains overviews of all active projects with title and number, the amount of funding provided to date, the amount of funding planned if the project is not yet fully funded, the fiscal year in which the project was initiated, and a brief description of the project including background and progress to date. (Note: For references to Egyptian pounds, the exchange rate is \$1.00 = LE 3.39.)

A listing of all USAID projects, active and completed, is provided as an annex. For more copies of this publication or additional information about the projects contact:

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USAID/EGYPT

GENERAL BACKGROUND AND OVERVIEW

The United States Agency for International Development, or "USAID," began its program in Egypt in 1975 during a period when Egypt was facing extreme economic and political challenges. The economy was at a standstill; much of its physical infrastructure had deteriorated; technical and scientific ties and relationships with the West had broken down; agricultural productivity was low; and basic health and welfare services were poor. A few years later in 1979, following the Camp David Accords and recognizing Egypt's moderating role in the Middle East, Egypt became one of the United States' largest economic assistance programs in the world. Since then, the United States Congress has provided on average \$815 million annually for this important partnership aimed at enhancing stability, democracy and prosperity in Egypt and the region.

The challenges of sustainable development have been many. Egypt has been in transition, moving away from forty years of state intervention and the tight control of resource allocation. The almost \$19 billion in economic assistance provided by the United States over the past two decades have touched many lives, helping build a stronger, market-oriented economy, enhancing the quality of life for the Egyptian people, now 56 million strong.

Early assistance focused on the immediate needs of the economy, including clearing, repairing and reopening the Suez Canal to restore to Egypt and the world this important trade artery. Egypt's infrastructure also claimed early attention. Expanded electric power, water and waste water, grain storage, telecommunications and port facilities became targets of assistance. Professional and institutional ties between Egypt and the United States were rebuilt. By the end of the 1970s, USAID had broadened its assistance to give greater attention to agriculture, health and basic education, addressing quality of life problems facing Egypt's people, particularly those in the rural areas, and promoting local development. USAID also began helping Egypt rebuild its industrial and commercial base through U.S. imports of commodities, equipment and intermediate goods. Working with the Egyptian government on structural adjustment and policy reforms opened up a greater role for the private sector and touched many enterprises both great and small. Whether the immediate target was regulatory changes and privatization or greater access to credit by small and micro entrepreneurs, the bottom line has been to facilitate market entry and increase the number of productive jobs.

U.S. Economic Assistance Breakdown - 1975-1994:

- **\$ 4.8 billion - physical infrastructure (water and waste water systems, power generation, telecommunications, and industry);**
- **\$ 3.1 billion - basic services (health, family planning, education, agriculture and the environment);**
- **\$ 5.2 billion - commodity imports (essential raw materials for industry and development and other U.S. goods);**
- **\$ 1.8 billion - cash transfers (to support economic policy reform and structural adjustment);**
and
- **\$ 3.9 billion - food aid imports (administered through the U.S. Department of Agriculture).**

Some results of these investments include dependable electricity, clean water, significantly improved health care, more schools, reliable telecommunications, improved village infrastructure and services, new technologies building a more efficient and diversified agricultural base, and expanded farmer access to credit, seeds and fertilizer. The USAID's portfolio of activities has shifted and grown, responding to Egypt's changing developmental needs based on our mutual goal to increase economic growth and the quality of life of Egypt's people.



SECTOR POLICY REFORM

During the mid-1980s, external financing from Suez Canal tolls, expatriate remittances, oil exports, tourism and bilateral aid all decreased at a time when the price of oil fell. In response, the Government of Egypt initiated expansionary fiscal policies to maintain public sector outlays. These actions resulted in a worsening balance of payments situation, increased foreign debt and the depletion of international reserves. No longer able to borrow its way to growth, by 1990, Egypt faced a major crisis with a foreign debt of \$50 billion and no capacity to repay it. New opportunities for fundamental economic reform came during the Gulf War which provided Egypt with substantial debt relief and additional economic assistance. After signing agreements with the IMF and the World Bank in 1991, Egypt embarked on a serious reform effort.

USAID's partnership with Egypt attaches particular importance to the contribution policy reforms make in advancing economic growth. To promote specific changes in a range of sectors -- trade, fiscal, financial, agricultural and environmental -- USAID provides the Government of Egypt with a combination of cash transfers upon the adoption of agreed to reforms and in some cases technical and commodity assistance to facilitate their execution.

Title: Cash Transfer for Sector Policy Reform
Number: 263-0626/8
Amount: \$395 Million
Initiated: FY 1992

Cash transfers are extended to the Government of Egypt (GOE) by USAID in exchange for policy reforms in the financial, fiscal, trade, and enterprise sectors to assist Egypt in its continued transition from a centrally-planned to a more open, market-oriented economy. About \$200 million of the \$815 million assistance package is being reserved annually for the cash transfer component. Examples of these reforms include:

- Reduction of non-tariff barriers to trade;
- Permission for foreign banks to operate fully in the domestic banking system;
- Greater foreign participation in the insurance sector;
- Passage of a securities market law and issuance of accompanying executive regulations;
- Development of a liberalization/restructuring plan for the textile sector; and
- Liberalized bank branching procedures and decontrolled banking fees.

Background/progress:

While progress in privatization and cost recovery has moved slower than expected, many positive changes have occurred. A sample of reforms undertaken in 1991-93 are illustrative of the GOE's resolve. The GOE unified the exchange rates, reduced tariffs, and lifted interest rate ceilings. During this same period, the budget deficit fell from 20% to 4.7% of GDP and inflation dropped from about 25% to around 10%. The GOE continues to show fiscal restraint. In lieu of the average annual rate increase of 22% that occurred from 1987/88 to 1992/93, Egypt held the budget to an 8% increase for the 1994/95 cycle. The budget deficit is now below 3% of GDP and inflation is in the 7-10% range.

Title: **Technical Assistance for Sector Policy Reform**
Number: **263-0233**
Amount: **\$10 Million**
Initiated: **FY 1992**

USAID also provides the GOE with assistance to develop, carry out, monitor and evaluate key elements of its sector policy reform program. About half of the funds are being used to develop and implement privatization policies and procedures which take state-owned enterprises to sale.

Background/progress:

Examples of studies that have been carried out include the liberalization of the textile sector, the GOE system of quality controls for imports and exports, trade policy, and the administration of intellectual property rights.

Since the GOE announced it would privatize some state owned enterprises, it has taken a number of concrete steps to establish the needed institutional infrastructure and has now privatized or liquidated twelve companies worth over \$300 million including two soft drink companies (Coca Cola and Pepsi), a five-star hotel (Cairo Sheraton), a pharmaceutical company, a commercial bank, a land reclamation company, and others. Another nineteen companies have been brought to the point of sale. The GOE has also sold its minority shareholdings in four companies and has begun selling non-controlling shareholdings in over a hundred companies.

Title: **Public Finance Administration**
Number: **263-0209**
Amount: **\$26.8 Million**
Initiated: **FY 1988**

An effort to improve the efficiency, equity, elasticity, and neutrality of the tax system is an integral part of the GOE's economic reform program. USAID support is helping the Ministry of Finance (MOF) to

- Introduce a General Sales Tax (GST) with an initial base of the manufacturing and import sectors which will be broadened to include the wholesale, retail and service sectors (a VAT-type tax);
- Implement a Global Income Tax (GIT);
- Improve the tax administration of the Sales Tax and Income Tax Departments through the adoption of modern techniques and procedures, and the extensive automation of the operations and information systems; and
- Create a strong automated economic research capability at the two tax departments and the MOF.

Background/progress:

- Parliament adopted both the Global Income Tax and the General Sales Tax. The former became effective on January 1, 1994; the latter will go into effect on July 1, 1995.
- Computerization of tax administration operations, including returns processing, cash operations, and accounting for revenues has progressed as follows:

Sales Tax Department: Central and regional offices completed; two-thirds of the 45 district offices completed with the remaining third to be completed in 1995.

Income Tax Department: Central and regional sites completed; more than 100 of 210 districts nationwide computerized with more coming on line at an average rate of ten per month. All computer sites will be linked by a telecommunications system.
- Extensive training at all levels of the tax departments and the Ministry has been provided including management training, computer training, enforcement and taxpayer service training and training of trainers.
- Economic and econometric studies and analyses were completed as a necessary pre-requisite to the design of the proposed tax reforms. Assistance was also provided in designing and drafting proposed legislation and its implementing regulations.
- Assistance has been provided in the areas of forms preparation, implementing documents and procedures.



COMMODITY IMPORT PROGRAM (CIP)

The Commodity Import Program (CIP) was initiated in 1975 in conjunction with the start-up of U.S. economic assistance to Egypt and has accounted for \$5.3 billion or about one-fourth of all assistance provided to date. CIP was instrumental in helping reduce the sizeable balance of payments deficits that Egypt was experiencing and in ameliorating Egypt's negative foreign exchange position.

Initially, CIP financed the purchase of American made products and commodities to meet critical import needs of the public sector. When USAID/Egypt's country strategy focused greater attention on the promotion of private sector participation in the economy, CIP was expanded to support private enterprise as well. By 1987, and until 1989, the public and private sectors shared equally in CIP resources. Of the \$815 million in U.S. economic assistance appropriated for Egypt each year, the U.S. Congress earmarks \$200 million for the purchase of U.S. commodities. In 1990, the public sector share was reduced to \$50 million. The following year, public sector CIP received its final grant of \$25 million, leaving new commodity programs focused exclusively on private sector needs.

Title: **Private Sector Commodity Import Program (P/CIP)**
Number: **263-0201 (and prior year)**
Amount: **\$1,145 Million**
Initiated: **FY 1986**

A key element of the Government of Egypt's (GOE) efforts to restructure the Egyptian economy has involved reforms aimed at the establishment of a market-based economy. USAID's encouragement of that effort to expand private sector growth led to a decision to create an exclusive Commodity Import Program focused on the needs of private sector enterprises. Private Sector CIP provides foreign exchange to participating Egyptian banks to extend credit for private sector imports of U.S. goods and equipment. Local currency generated by loan repayments is deposited by the banks into a special account and is used by the GOE to finance mutually agreed to development activities.

Background/progress:

The Private Sector CIP operates through 20 participating commercial banks in Egypt providing short- and medium-term credit and foreign exchange to facilitate the import needs of Egyptian entrepreneurs. A recent program evaluation indicated that sixty-two percent of survey respondents noted that CIP had helped increase their firm's sales and production. Thirty-five percent said it had increased employment.

- About 850 Egyptian private sector importers have used CIP resources. Their transactions have involved 1,400 U.S. manufacturers and suppliers from 46 States and more than 1,110 different commodities. Categories of goods include aluminum, articles of iron or steel, chemical compounds, tallow, fats and waxes, rubber, wood, dyes, paints and varnishes, manmade filaments, electrical machinery and equipment, plastics, boilers, machinery and parts, cereals, etc.
- Examples of large- and small-scale commodity transactions include:
 - Alexandria Carbon Black (mfg of tires) - \$8 million
 - Taki Vita (mfg of mattresses/furniture) - \$18 million
 - Power Egypt Corporation (mfg of air conditioning units) - \$38 million
 - Vato Soap and Detergents - \$7.6 million.
 - Masged Mostapha Mahmoud Mosque Clinic (kidney dialysis machine) - \$100,000
 - Diab Company for Land Reclamation - \$306,000
 - Misr Poultry Grand Parents - \$178,718.

Title: **Public Sector Commodity Import Program (CIP)**
Number: **Various**
Amount: **\$ 3,980.8 Million**
Initiated: **FY 1975**

CIP for Egypt's public sector played a key role over the past two decades in helping the Government of Egypt (GOE) stabilize balance of payments. The sustained level of commodity support provided under the program during periods of severe economic strain contributed significantly to the underlying strength of the economy and permitted the GOE to undertake the massive economic restructuring efforts currently underway.

Background/progress:

Examples of U.S. commodities benefitting the public sector (machinery, equipment, spare parts, raw materials, semi-finished goods and consumables) include:

- Equipment for teaching hospitals at Cairo, Ain Shams, Tanta, Assuit and Sohag Universities.
- Magnetic Resonance Imaging (MRI) providing advanced clinical diagnostic systems for two university hospitals: Cairo and Ain Shams.
- Telecommunications equipment upgrading telephone exchanges in Alexandria and Greater Cairo (Ramsis, Giza, Pyramids and Opera) adding over 60,000 lines to the national network.
- Spare parts to keep various power plants operational (Aswan High Dam, Talkha, Abou Sultan and Sharm El Sheikh) and help maintain the electrical distribution network.
- Geophysical aircraft and equipment for advanced research laboratories at various universities to promote Egyptian scientific research.

Today, virtually all public sector transactions are completed.



PRIVATE SECTOR

For decades, Egypt pursued economic policies based on state intervention, centralized decision-making, public sector dominance of industrial production, import substitution and a highly regulated system of controls on private economic activity. The cumulative effect of those policies by the mid-1970s was a rigid, segmented, inefficient and slow-growing economy.

The Government of Egypt (GOE) announced an "Open Door Policy" in 1974 to attract foreign investment and included private sector-led growth objectives in all subsequent development plans. There was little incentive for fundamental change and progress was limited, however, while the Egyptian economy was buoyant with oil exports at favorable prices, remittances, and generous inflows of foreign assistance. By the end of the 1980s, declining oil revenues and mounting economic difficulties led to a watershed for a new economic orientation and in 1991 the GOE embarked on a comprehensive economic reform and structural adjustment program.

Until 1992, due to major policy constraints and the absence of a viable private sector, USAID focused its private sector support mostly on the needs of small and micro enterprises (SMEs) using non-profit foundations to facilitate SME access to credit and loan guarantee programs for SMEs with the banking system. With the GOE's adoption of structural adjustment, USAID expanded its private sector program to help the GOE remove or alleviate the remaining regulatory and institutional constraints to private sector-led growth.

Title: **Privatization Support**
Number: **263-0238**
Amount: **\$14 Million (\$35 Million Planned)**
Initiated: **FY 1993**

Five areas of constraint impacting on the Government of Egypt's (GOE) privatization process are addressed in this USAID project: insufficient understanding within the state enterprise system and the public in general about the merits of privatization; management difficulties stemming from the large number of players; limited experience in handling international tenders for the sale of companies and in evaluating, establishing a reference value, and selling companies; inadequate or inappropriate local financial services and instruments necessary for the sale of businesses and to bring new capital to them once privatized; and the need to develop an organized approach for the analysis of policy solutions to privatization impediments.

Background/progress:

Financial Instrument Development: Egyptian financial markets (banks, brokerage firms, stock exchanges and selected new financial institutions) are receiving assistance to develop the means to mobilize capital for the divestitures of public properties.

Sales: Advisory services and merchant banking services are being provided to the holding companies (HCs) and state banks (SBs) to evaluate the marketability of properties and assist in their sale.

Organizational Development: A combination of regular management audit consultancies and on-the-job training is helping strengthen organizations involved in the sale of public enterprises: the seventeen HCs and SBs as well as the Public Enterprise Office (PEO) under the Minister of Public Enterprise Support (MPES).

Program Promotion: Technical assistance is being provided the PEO to develop and implement a communication outreach strategy to improve the understanding of target groups and keep them abreast of key privatization issues.

Decision Making Support: The PEO receives assistance to conduct analyses of policy options and present them for consideration as solutions to privatization impediments.

- Privatization units have been established within six state holding companies to expedite actual transactions.
- In 1994, the government privatized twelve state-owned enterprises with a value of \$300 million.

Title: **Egyptian Center for Economic Studies**
Number: **263-0230**
Amount: **\$2 Million (\$8.5 Million Planned)**
Initiated: **FY 1993**

Recognizing the importance of having Egyptian institutions actively meeting informational, analytical and advocacy needs of the nascent private sector, USAID supported the development of the Egyptian Center for Economic Studies (ECES), an independent, non-profit research institution aimed at researching policy options and fostering dialogue on important economic and regulatory policy issues in Egypt.

Background/progress:

USAID provided start-up funding for the Egyptian Center for Economic Studies (ECES). Led by a private sector Board of Directors, ECES has been chartered under Egyptian Law 32, has hired a former senior employee of the World Bank as managing director, and is currently recruiting and hiring other key staff. The Center's research program will address domestic economic, regulatory and international policy issues of importance to Egypt. Formal or informal linkages may be established with existing U.S. institutions such as Brookings. The institutional development of ECES is expected to be achieved over a five year period resulting in a facility that will carry out research and analysis, public communications and attain long-term financial autonomy.

Title: **Small Enterprise Credit**
Number: **263-0228**
Amount: **\$17 Million (\$25 Million Planned)**
Initiated: **FY 1991**

Efforts to address the short-term credit needs of small and micro entrepreneurs (SMEs) include USAID collaboration with the National Bank for Development (NBD) in the greater Cairo area. Using the existing facilities of NBD's central office and thirteen branch offices, space was furnished and equipped to accommodate 250 full time Small Enterprise Credit staff to work as SME loan officers, supervisors and support staff.

Background/progress:

The principal features of the loan program are:

- **Loan Approval Process:** Loan officers regularly visit target neighborhoods seeking out potential borrowers, assisting them in calculating their loan requirements, and establishing their eligibility to participate in the program. Completed loan applications are delivered to the branch offices for processing. Approved borrowers are required to place ten percent of the requested loan amount into an NBD interest bearing savings account. Loan officers return to successful loan applicants in their place of business to deliver loan documents and funds. Periodic follow-up visits are made to target neighborhoods at least weekly.
- **Eligible Borrowers:** Generally small entrepreneurs in the greater Cairo area, with less than 15 employees, and less than LE 25,000 in fixed assets, excluding land and buildings.
- **Loan Size and Term:** LE 250 to LE 5,000 for 4-12 months.
- NBD has established an efficient and effective SME lending program which is capable of sustaining and expanding its activities based on reflows of principal and interest into the fund.
- To date 27,000 loans valued at over LE 62 million have been extended to Egyptian entrepreneurs in the greater Cairo area. All of these borrowers had no prior access to credit from formal financial institutions.

Title: **Export Enterprise Development**
Number: **263-0226**
Amount: **\$8 Million (\$10 Million)**
Initiated: **FY 1992**

A comprehensive set of activities have been developed with USAID support to stimulate Egyptian exports. These include proactive, hands-on export promotion in the private sector, including the development and dissemination of promotional materials and the creation and maintenance of an information base to respond to requests from potential Egyptian and foreign business partners.

Background/progress:

The Trade Development Center (TDC), a non-governmental organization, was established by the U.S./Egypt Joint Business Council with USAID support to promote non-traditional private sector exports through networking (trade shows, visits, etc.) and through technical assistance at the company level. TDC is concentrating at the moment on fresh fruits (non-citrus) and vegetables, processed foods, furniture, garments and shoes for European and Middle Eastern markets, working primarily with the larger, more established exporters. In a second phase, TDC will work with smaller, less well-established exporters.

By its second year, TDC had facilitated target exports valued at \$30 million, exceeding its goal by 20%.

Title: **International Executive Service Corps (IESC)**
(funded under Technical Cooperation and Feasibility Studies)
Number: **263-0225**
Amount: **\$3.2 million**
Initiated: **FY 1992**

USAID continues to support the International Executive Service Corps (a U.S. private voluntary organization) and its volunteer executives who deliver technical, managerial and training assistance to Egyptian private enterprises to improve skills and productivity. Their contributions involve:

- Improving management methods and organization structures,
- Instituting guidelines to improve productivity and production quality,
- Studying markets and assisting manufacturers in product development,
- Introducing manufacturing and processing standards for acceptance in domestic and export markets,
- Developing training programs for industries and service organizations, and
- Providing expertise in a wide variety of industrial, technical and management fields.

Background/progress:

The IESC has completed its eleventh year of support to Egypt's private sector. IESC provides an average of 125 retired volunteer executives each year to work with Egyptian firms to introduce modern business practices, increase productivity, sales, investment and trade.

- A 1993 external evaluation showed that over 90 percent of the recommendations made by IESC volunteers were adopted by the client firms. One case involved an industrial design and construction company. Over 20 staff were trained resulting in a 20 percent reduction in the time necessary to complete design drawings, a time savings that is expected to grow to approximately 40 percent. The time required to check and revalue drawing dimensions was reduced from 30 or 40 hours to minutes allowing engineering time to be shifted to design. More efficient and faster designs and drawings meant more competitive bid prices leading to more projects and profits. The CEO estimates his firm's profits increased over 20 percent. Thirteen new engineers have been hired to keep up with the new business.

Title: **Small and Micro Enterprise (SME)**
Number: **263-0212**
Amount: **\$35 Million (\$44 Million Planned)**
Initiated: **FY 1988**

The use of non-profit foundations as financial intermediaries to create viable credit delivery systems for small and micro enterprises is another channel being supported by USAID to expand the economic output of SMEs. The foundations administer the funds in cooperation with local banks to facilitate the provision of credit to SMEs.

Background/progress:

The principal features of the program are:

(1) Eligible borrowers are generally existing, owner-operated small (6-15 employees) and micro (1-5 employees) enterprises; (2) Loans range in size from LE 500 to LE 5,000 for micro enterprises (the average is LE 3,000) and LE 5,000 to LE 15,000 for small enterprises (the average is LE 8,000); (3) Terms: 4-12 months for working capital loans, and up to 24 months for fixed-asset loans; and (4) Cost: Charges to borrowers are based on the prevailing commercial bank market interest rates plus the foundation's administrative costs. Loan repayments have exceeded 96%, demonstrating SME credit worthiness.

- ABA Foundation (Alexandria): ABA has a head office located in the city of Alexandria and seven branches covering all parts of the governorate with seventy-five extension officers. ABA provides training for entrepreneurs, marketing support and research and has an exhibition center for their products. Thus far, 27,000 loans have been extended for LE 68 million; about 10% of the borrowers are women.
- ESED Foundation (Cairo): ESED, which officially started on November 14, 1990, later than ABA, has generated 7,000 loans in the amount of LE 24 million. A computerized loan tracking and accounting system has been installed and a Cairo East Branch opened.
- SEDAP Foundation (Port Said): SEDAP has completed a base line survey to identify potential borrowers and branch sites and completed training of key staff members. Start-up is expected in January 1996.
- Other groups of businesses in Sharkia, Kafer El Shaik and Assiut Governorates are now forming new foundations to join the subblending program.

Title: **Private Enterprise Credit**
Number: **0201.03 (under Private Sector CIP)**
Amount: **\$648 Thousand**
Initiated: **FY 1989**

The small scale credit guarantee fund is designed to provide participating commercial banks with an insurance mechanism against default in order to encourage their use of excess liquidity for loans to small scale businesses.

Background/progress:

A private, for-profit corporation, the Credit Guarantee Corporation (CGC), has been formed by ten domestic financial institutions. Each institution purchased about LE 400,000 worth of shares as initial paid-in capital to complement funds made available from the Ministry of International Cooperation for investment in domestic financial instruments. The CGC guarantees up to 50 percent of loan principal for small enterprises, charging the banks a 2 percent fee for the service. Loans are in the LE 50,000 to LE 750,000 range.

Twenty-seven banks have signed participation contracts to date and nearly 2,200 participating bank employees have been trained in the utilization of CGC services. The recipients of loan guarantees include 1,146 health care professionals and 1,663 small scale enterprises.



AGRICULTURE SECTOR

Egypt's exceptional resource endowment includes fertile soils, a temperate climate, year-round sunshine, an irrigation system that allows complete water control for all of agriculture, the absence of recurring natural disasters (drought, flood, frost) that reduce productivity, and a location near expanding markets in Europe, Africa and the Middle East.

Agriculture accounts for approximately 18% of Egypt's GDP, 36% of overall employment and 22% of commodity exports. Half of the Egyptian population live in rural areas where agricultural activities predominate. Related industry, including agricultural inputs (water, fertilizer, pesticides and seeds) and the processing and marketing of commodities, accounts for another 20% of GDP and a substantial portion of the work force.

Due to state intervention, agriculture sector growth during the early to mid-1980s was very poor with value of production growing at less than 1% per year. To boost production and increase farmer incomes, USAID assistance has emphasized agriculture policy reform. Now private dealers and cooperatives handle 95% of all fertilizer sales. In addition to policy reforms, USAID also supports agricultural research and grassroots activities to help improve financial services, introduce more appropriate farm management techniques, expand access to improved inputs and new technologies, and encourage the formation of water user associations to operate and manage local irrigation systems. USAID's irrigation management program also finances major technology transfers (telemetry and communications, computer-based models, and automated water management data bases). USAID has provided support to Egyptian agriculture since the inception of its program with sector assistance now totalling about \$1,260 million.

Today, the Egyptian agricultural sector can only be described as dynamic. It has averaged an annual 4.5% growth rate from 1983 to 1990 for 21 major crops. Total wheat production more than doubled from 1986 to 1992 as a result of a 38% growth in yields and an increase in the area cultivated by wheat. Rice production has doubled over this same time and yields have increased from 5839 kilos a hectare (kg/ha) in 1987 to 7710 kg/ha in 1993. This is an annual average increase of 313 kg/ha per year, the highest rate of growth in the world for the same period.

Title: **Farmer to Farmer**
(funded under Technical Cooperation and Feasibility Studies)
Number: **263-0225**
Amount: **\$3.574 Million**
Initiated: **FY 1994**

With USAID support, the U.S. private voluntary organization Agricultural Cooperative Development International (ACDI) is working directly with a core of 600 farmers chosen to serve as leader farmers in the Alexandria, Ismailia and Cairo areas. Each year this group will receive on-farm technical assistance provided by American farmers, extension agents, researchers and agribusiness experts recruited from Volunteers in Overseas Cooperation Assistance (VOCA). A total population of about 12,000 farmers will benefit from these ACDI efforts to increase private sector agricultural investment, productivity, production and income.

Background/progress:

- As of end September, 1994, 27 volunteers completed assignments in Egypt and 38 Egyptian farmers and extension agents traveled to the U.S. for month-long training programs.
- Technology transfer exceeded expectations, with 215 recommendations on new farming techniques transferred to date, compared with the original target of 160. Of these, 90, or 42% have already been adopted by participating farmers.
- Some results of the new technologies include increased yields, more effective use of inputs (water/fertilizer/pesticides/seed), increased use of information resources, increased investment, and environmental impact improvements.
- A training of trainers program was launched with 122 Egyptian farmers who are now conducting seminars and field visits with their neighbors.

Title: **Agricultural Production and Credit**
Number: **263-0202**
Amount: **\$309 Million**
Initiated: **FY 1986**

The poor performance of Egypt's agricultural sector during the first half of the 1980s was due largely to a policy environment which discouraged farmers from investing. The government dictated the amount of acreage planted for key crops, controlled input use (water, fertilizer, pesticides and seed) and production practices, imposed farm-gate and retail price controls on agricultural produce, and exerted monopoly power over the marketing and processing of the main crops. USAID support for policy reforms aimed at deregulating the agricultural sector (\$275 million) and capacity building for the Principal Bank for Development and Agricultural Credit (PBDAC) (\$34 million) are promoting changes intended to give farmers greater flexibility over their production decisions and to improve their access to financial services and inputs.

Background/progress:

Key policy reforms accomplished over the period FY 1990-94 include:

- Fertilizer: All subsidies eliminated (except potassium sulphate); private marketing and transport of all imported and locally produced fertilizers legalized; the bulk of PBDAC's fertilizer marketing activities privatized and related redundant employees in input distribution reduced.
- Seeds: All subsidies eliminated, except for experimental varieties and cotton; the public sector marketing monopoly over most seeds eliminated.
- Pesticides: All subsidies eliminated except as they relate to cotton; subsidy on pesticides for cotton reduced by 50% with total elimination expected in FY 1995.
- Other Pricing: Competitive, non-subsidized rates established for the marketing of public sector-produced animal feed components (cottonseed cake, bran, molasses) to private and public sector feed mills.
- Cotton: Mandatory planting and delivery requirements eliminated.
- Rice: Mandatory procurement and export restrictions on the private sector eliminated; private milling throughout the year legalized.

PBDAC capacity building:

- 23,400 PBDAC and extension service personnel received training in Egypt; some 210 PBDAC staff received short-term technical training and observation tours off shore.
- Automation: All 18 minicomputers have been installed and 100 out of 150 super micros have been installed to assist in loan processing and reporting.
- District bank sites are being refurbished.
- Studies of organizational/management and informal finance practices are underway to provide analytical tools needed to resolve some of the remaining constraints to PBDAC's transition from a trading company to a bank with financial viability.

Title: **National Agricultural Research (NARP)**
Number: **263-0152**
Amount: **\$198 Million**
Initiated: **FY 1985**

Since 1977, USAID has invested over \$300 million through NARP and predecessor projects towards the generation and dissemination of productivity enhancing technologies. This long-term effort has four priority areas--agricultural research, technology transfer, seed technology and new initiatives--which emphasize the involvement of extension workers with researchers in field trials and extensive demonstrations of improved technological packages.

Background/progress:

- Over 2,000 on field trials are conducted each year in farmers' fields throughout 19 governorates for crops such as rice, tomatoes, cotton, sorghum, clover, wheat, corn, sugar, barley, and onions as well as for farm mechanization and livestock management.
- 29 technological "packages" in the fields of horticulture, livestock, fruit and field crops have been developed, tested, and disseminated to farmers. Packages include new varieties of wheat, barley, rice, corn and fava beans; inter-cropping and relay planting with traditional crops; and natural resources-based agricultural technologies which reduce reliance on costly inputs (e.g., pesticides/fertilizer).
- Technology extension/dissemination has been assisted by the publication of 30 technical packages for winter and summer crops, nine video training films, bi-monthly extension magazines, and special television programs developed with NARP assistance.
- 9 of 13 targeted crops have exceeded target yield increases of 10%.
- 5 cereal crop yields have an average increase of 27%, almost three times more than expected.
- 650 Egyptian researchers have been trained in the United States in post-Doctoral, PhD, Masters, or short-term technical programs; over 500,000 extension agents and farmers have been trained in Egypt.
- Physical facilities/infrastructure have been renovated at five research stations and seventeen field sites and research equipment and supplies provided for labs at Egyptian universities and ARC institutions.
- Almost 300 research grants were made to Egypt's Agricultural Research Center (ARC) and other public and private research institutions covering a broad range of activities from animal disease control to molecular and genetic engineering, all of which seek to solve problems limiting production or income at the farm level.
- Linkages between Egyptian institutions and international research institutes (CIMMYT, ICARDA and IRRI) and U.S. universities have also been supported.

Title: **Irrigation Management Systems**
Number: **263-0132**
Amount: **\$336 million**
Initiated: **FY 1981**

After six years of research carried out under a predecessor project, (Water Use and Management, about \$13 million), USAID launched this large technical and capital assistance project to improve the operating efficiency of Egypt's national irrigation system working with the Ministry of Public Works and Water Resources (MPWWR).

Background/progress:

- One of the most pressing problems facing the system was the backlog of structures needing replacement or rehabilitation. To date, 19,254 structures (intake regulators, head regulators, weirs, tail escapes, spillways, bridges and crossing structures) have been replaced/rehabilitated.
- A successful pilot preventive and canal maintenance system is being extended to six governorates: 2,037 MPWWR staff have been trained in preventive maintenance and a manual setting inspection and maintenance procedures and standards produced.
- To improve MPWWR management capabilities, USAID financed the first stage of a nation-wide telemetry data collection system to measure water levels at key locations that includes a voice and data communication system (VDCS) and automated pilot canal control. VDCS has been installed at the Delta Barrage; forty mobile water measuring units established (vehicles, boats and water measuring equipment); and 1,078 related staff trained.
- A set of reliable tools (mathematical models) and procedures were needed to investigate planning options. Eight out of twelve models planned have been completed for the High Aswan Dam/Lake Naser complex to improve the water delivery system from the dam to the Mediterranean Sea. A monitoring, forecasting and simulation program has also been completed to predict the timing, duration, and quantity of runoff from the Upper Nile watershed using meteorological data.

Training and technical assistance is also helping:

- Strengthen the ability of the Water Research Center and its eleven institutes to find solutions for Egypt's continuing irrigation and water related problems.
- Establish a National Training Institute to improve public and private capabilities in irrigation management--11,847 trained.
- Renovate map production facilities and install state of the art map making equipment: computer based mapping and orthophoto map production systems installed.
- Organize water users associations (WUA) and train farmers: To date 465 WUAs have been organized and 2,837 farmers trained.



ENVIRONMENT

Serious environmental degradation constrains Egypt's achievement of sustainable development and jeopardizes the health and livelihood of its citizens. Water and urban air pollution are the major environmental problems in Egypt. Pollution of surface and groundwater has contaminated water intended for human consumption, irrigation and other uses. Agriculture, which accounts for over 80% of Egypt's water use, is a major cause and victim of water pollution. Sewage systems now serve 80% of the urban population, but only 5% of rural dwellers. The degraded quality of urban air is a result of both natural dust from the surrounding deserts and automobile and industrial emissions. Studies indicate that lead and particulate pollution in Cairo is the worst among the world's mega-cities and causes 10,000 to 25,000 deaths per year.

USAID's investments in the environmental area began in 1975 with the repair and improvement of waste water, irrigation systems and electric power infrastructure. Specific projects directly addressing conservation and environmental protection began about a decade later.

Title: **Science and Technology Cooperation (STC)**
Number: **263-0140.01**
Amount: **\$23.64 Million (\$36 Million Planned)**
Initiated: **FY 1987**

The USAID umbrella project Science and Technology for Development is helping the Egyptian science and technology (S&T) community solve national development problems through applied research and technology in the fields of health, productivity, and science and technology. The STC activity is aimed at critical production problems of public and private sector industries. Problems include the need to recycle wastes and to develop improved industrial processes and products for greater efficiency and reduced pollution. Support is also given to the Egyptian National Scientific and Technical Information Network (ENSTINET) and its extension to regional universities. The network enables Egyptian researchers to tap into computerized bibliographies and databases located throughout the world.

Background/progress:

Egyptian universities and research institutions collaborate closely with participating companies or service agencies, the end users. Overall, STC places priority on research proposals dealing with environmental pollution problems. The economic impacts of research are evaluated and documented as are social and environmental benefits.

- 74 research contracts covering over 70 end users (public enterprise companies, private sector companies, governorates, and GOE ministries) have been awarded. Topics include:
 - industrial minerals and chemicals
 - construction materials
 - small-scale industries
 - water and waste water treatment
 - lake ecosystems
 - computer-aided industrial production and process control
 - biotechnology.

Title: **Energy Conservation and Environment Protection
(ECEP)**
Number: **263-0140.03**
Amount: **\$49.5 Million**
Initiated: **FY 1988**

Under ECEP, another Science and Technology for Development sub-project, USAID works with the Development Research and Technological Planning Center (DRTPC) of Cairo University, the El Tabbin Institute for Metallurgical Studies (TIMS) of the Ministry of Industry and the Federation of Egyptian Industries (FEI), to promote the adoption of improved commercial technologies, processes and practices to save energy and protect the environment.

Background/progress:

DRTPC and TIMS currently have activity in approximately 97 private and public sector plants. New equipment is allowing these plants to operate more efficiently at lower cost. In the public sector plants alone, with equipment costing about \$10 million, accumulated savings have already reached \$27 million.

Applications cover a range of needs - water heat recovery, combustion control, high efficiency lighting, power source, process control, cogeneration, and energy management systems. These investments also produce significant environmental benefits and large energy savings.

- Pollutants have been reduced by an average of 16% for sulphur dioxide, 34% for nitrogen, 39% for carbon monoxide and 6% for carbon dioxide in participating ECEP plants.
- 3,762 Egyptian personnel from DRTPC, TIMS and FEI have undergone training.
- A Compressed Natural Gas (CNG) fueled vehicles study has been completed and a pilot vehicle tune-up program undertaken.

Title: **Preservation and Restoration of Egyptian Antiquities**
Number: --
Amount: **Egyptian LE 50.45 million (\$15 million equivalent)**
Initiated: **FY 1994**

The American Research Center in Egypt (ARCE), in close coordination with the Egyptian Supreme Council for Antiquities, is administering a program to conserve Egyptian antiquities using resources of the Egyptian Antiquities Fund (EAF). EAF funds were generated under USAID policy reform and commodity programs and contributed by the Egyptian Government in accordance with a U.S. Congressional earmark.

Background/progress:

Plans for sub-grant funding cycles are reviewed and approved by a joint committee. Conservation needs touch a number of periods including Neolithic, Pharaonic, Greco-Roman, Coptic, and Islamic.

A first cycle of sub-grants is funding eleven restoration and documentation activities as well as three institutional development activities, including:

- Zawiya Ibn Barquq Mosque: Photographic documentation is more than 50% complete, written documentation and preliminary cleaning has been initiated.
- Sinai: A reconnaissance to describe and update needs assessments of salvage and preservation sites.
- Dar El Kutub: Site feasibility study.
- Saleh Tala'i Mosque: A monitoring network established to determine the extent of moisture levels in the walls.



HEALTH SECTOR

During the late 1970s and early 1980s, USAID assistance to the Government of Egypt resulted in greatly expanded access to health services by the rural and urban poor. Substantial investments were made in training health personnel, upgrading the physical infrastructure, and improving the service delivery system. Since 1983, the focus of the program has been to reduce mortality and illness of infants and children principally through two key interventions: Oral Rehydration Therapy (ORT) and an Expanded Program for Immunizations (EPI). The Egypt child survival program has been a phenomenal success in improving the health of young children, preventing more than 80,000 children deaths every year. USAID has provided about \$268 million for health sector support.

Title: **Child Survival**
Number: **263-0203**
Amount: **\$67.941 Million (\$78.5 Million Planned)**
Initiated: **FY 1985**

USAID is helping the Government of Egypt deal with the major causes of illness and death of infants and young children in Egypt through immunizations for six major childhood diseases plus hepatitis B, early diagnosis and treatment of acute respiratory infections (ARI), and safe motherhood and child spacing.

Background/progress:

The Expanded Program for Immunization (EPI) is focused on maintaining coverage above 80% for six childhood vaccines, introducing hepatitis B vaccination, eradicating polio and eliminating neonatal tetanus. The ARI program has adopted the World Health Organization case management protocol and is training staff in the correct diagnosis and treatment of respiratory illnesses. A Child Spacing program includes training of traditional birth attendants in maternal, neonatal and child health care, and training nurses and doctors in procedures related to counseling family planning services and referral. The use of mass media to promote services and to educate families is another key activity.

- A national cold chain (or refrigeration network) with bulk/clinic/mobile refrigerator storage capacity of vaccines has been established at over 3600 sites.
- Child immunization coverage rates are being maintained at near 90% compared to 54% in 1984. Hepatitis B immunizations, initiated in 1992, have reached 70% for all three doses.
- The infant mortality rate declined 43% from 108.1 to 61.5 deaths per 1,000 live births.
- The child mortality rate declined 55% from 55.3 to 24.8 deaths per 1,000 live births.
- Due to the widespread knowledge and use of Oral Rehydration Therapy (ORT), diarrhea is no longer the primary cause of death in Egypt.
- Training of physicians and dayas (midwives) in safe motherhood and child spacing is increasing the number of pregnant women seeking prenatal care and tetanus toxoid vaccinations.
- The provision of prenatal care has increased from only 14% in 1988 to 53% of women visiting clinics during pregnancy in 1992.
- 70% of primary care physicians and nurses throughout the country have been trained in standard case management of ARI; 80 neonatal care units are now operational and are supplied with over 360 incubators to treat ARI and physicians and nurses trained in their use.
- Reported cases of tetanus among neonates dropped from 1,830 in 1992 to 1,277 in 1993 (in contrast to 7,256 cases in 1986).
- Considerable progress has been achieved towards the goal to eradicate polio by 1996: Reported suspected cases of polio dropped from 671 in 1992 to 196 in 1993.

Title: **Cost Recovery Programs for Health**
Number: **263-0170**
Amount: **\$60 Million**
Initiated: **FY 1988**

USAID focuses these resources in three areas to promote sustainability in the health sector: (1) the development and testing of cost recovery systems in select Ministry of Health (MOH) facilities as a model for country-wide application; (2) the promotion of improved management information systems in two leading health care systems; and (3) the expansion of the private health care sector by guaranteeing loans to private practitioners and the development of prepaid and other managed practices.

Background/progress:

Efforts to develop management, financial, and personnel systems and upgrade service quality for the five pilot hospitals (Embaba, May 15, Kafr El-Dawar, Chark El-Medina and El Kantara Gharb) include:

- An Arabic financial system developed and installation plan prepared;
- Biomedical equipment for El Kantara Gharb and Kafr El-Dawar has been installed and installation for the remaining three facilities is underway.
- Renovation work for the Kafr El-Dawar Polyclinic is completed. Renovation for the May 15 Hospital is underway.
- Workshops were held in inter-personal communication and the monitoring of clinical performance. Clinical guidelines for the Ob and Gyn department and a checklist for the analysis of nursing performance in the scrub area were distributed to monitor and improve the quality of health services being provided.
- An organizational structure for a Health Insurance Organization/Management Information System (HIO/MIS) has been developed. The provision of software modules, renovation of facilities, telecommunication lines, and training for HIO/MIS staff is underway. A Hospital Management Information System involving training and other staff support for three pilot hospitals associated with the Curative Care Organization (CCO) is also envisioned.
- A Credit Guarantee Fund, working through 19 participating banks, has guaranteed 1,346 loans under the health care practitioners loan program.
- Suez Canal University's Faculty of Medicine has proposed a managed care system and some start-up activities such as financial assessment and a feasibility study have been undertaken.
- The Egyptian Medical Syndicate (MS) has requested USAID support to expand its Health Insurance of the Medical Union (HIMU) program. An assessment of the HIMU and the potential market for expansion concluded that a very favorable climate exists. A business plan/proposal including human resources development and staffing plans, upgrading of the MIS, legal, market analysis, and capital investment plans are being prepared.

Title: **Schistosomiasis Research**
Number: **263-0140.02**
Amount: **\$34 Million (\$39.65 Million Planned)**
Initiated: **FY 1988**

These resources are provided under the USAID umbrella project Science and Technology for Development which supports the Egyptian science and technology community's efforts to solve national development problems and constraints through applied research and technology in the fields of health, productivity, and science and technology. This sub-project focuses on schistosomiasis control to develop tools, methods and information through directed research and by improving the capability of medical research institutions to conduct practical, control-oriented research in the schistosomiasis field.

Background/progress:

Research grants are open to Egyptian and U.S. private and public sector groups. Eligible categories of research are: vaccine development, improved diagnostic methods, better chemo-therapeutic regimens, epidemiology of schistosomiasis, socio-economic factors that affect the disease, and operations research to develop systems for delivering appropriate interventions. This program is jointly managed by Egypt's Ministry of Health (MOH) and U.S. contractors: NAMRU-3, Lowell University, Medical Service Consultants International (MSCI) and the U.S. Centers for Disease Control (CDC). MSCI provides management and technical assistance, U.S. training programs for Egyptian researchers and procurement of research equipment and supplies. NAMRU-3 provides local training and scientific collaboration with Egyptian scientists.

- Egyptian and American scientists currently are working collaboratively under 90 project research grants.
- The GOE Theodore Bilharz Research Institute and Lowell University have established an internationally-acclaimed laboratory facility to provide grantees with the biological materials needed for their research.
- MOH and CDC have completed initial preparations for the establishment of a National Reference and Diagnostic Laboratory to improve immuno-diagnostic methods for the detection and treatment of schistosomiasis.
- World-class scientists attending the project's annual technical seminars were generally optimistic that candidate vaccine agents and effective new diagnostic tests will be developed during the life of the project.
- Primarily as a result of capacity developed under the project, Egypt has been selected as a field test site for schistosomiasis vaccines approved by the World Health Organization.



POPULATION SECTOR

Despite dramatic gains in the use of family planning, Egypt's annual population growth rate, reported by the Egyptian government to be 2.1 percent in 1993, remains one of the central constraints to the country's economic growth. The negative effects of high fertility are evident in many aspects of Egyptian life: population distribution, education, employment and health. Acknowledging that rapid population growth rates jeopardize all of Egypt's development efforts, the Egyptian government currently invests substantially in family planning services. The President and influential religious leaders like the Grand Mufti and the Pope of the Coptic Church frequently call attention to the importance of family planning.

Since 1975, USAID has been the largest single donor to Egypt's family planning program, providing about \$208 million. USAID's strategy is to assist the Egyptian government to establish effective population policies; assure an adequate supply of contraceptives and related supplies; improve access to family planning services and information through the public and private sectors; improve the quality of service delivery and contraceptive use; and develop program coordination, management and information systems.

Title: **Population/Family Planning III**
Number: **263-0227**
Amount: **\$30 Million (\$62 Million Planned)**
Initiated: **FY 1992**

The USAID's continuing multi-component population assistance is helping the Government of Egypt (GOE) and the private sector provide accessible, appropriate and high-quality information, services and commodities for population and family planning. There are eight components. The GOE's National Population Council (NPC) oversees three: Institutional Development, the Regional Center for Training at Ain Shams University, and Clinical Services Improvement with the Egyptian Family Planning Association. The Ministry of Health (MOH) implements three: Systems Development, Contraceptive Commodities, and Teaching Hospital Organization. The Ministry of Information implements the Family Planning Information, Education, and Communication (IEC) component with the State Information Service (SIS). Special initiatives for the private commercial sector, such as training private physicians and pharmacists, are being implemented through competitively awarded subcontracts under an Implementation/Goods and Services Contractor (I/GS) who provides management and technical support for overall activities, including commodity procurement and arrangements for participant training.

Background/progress:

Including the two earlier phases beginning in FY 1975, USAID has been helping the GOE establish an institutional framework for family planning, train Egyptian health personnel in family planning, promote and distribute contraceptive methods, and provide the needed research base (both operations and applied biomedical) to make quality services more available and accessible. This long-term support to Egypt's family planning program has paid off. Contraceptive use has risen dramatically, fertility has fallen, and unmet need has been reduced.

- Total fertility rate (the average number of children a woman would have) has been successfully reduced from 5.2 in 1980 to 3.9 in 1992.
- Contraceptive prevalence rate increased from 38% in 1988 to 47% in 1992; unpublished results of a 1993 national survey indicate the rate has risen further to almost 50%.
- Extended use failure rate has fallen from 13% to 10% between 1988 and 1992.

Although family planning activities have attained substantial success, challenges remain. Service volume must be increased, first merely to maintain contraceptive prevalence at current levels, then to reach those women who are not currently using contraception but who want to. Service quality and user knowledge must be improved to increase contraceptive effectiveness. Improved information must also be made available to policy makers to take advantage of the comparative advantages that exist in Egypt and to reduce the large differentials that still exist in contraceptive use and fertility rates between urban and rural areas and between Upper and Lower Egypt.



EDUCATION AND TRAINING

USAID support for Egypt's education and training needs has been ongoing since 1975. A major effort launched in 1981 to increase primary school enrollments concluded in 1994 following the construction of 1,947 rural schools in underserved areas (Basic Education - \$185 million). Egypt's education and illiteracy problems persist, however, with girls and women in particular lacking equal access to education. Female illiteracy is 66% compared with 37% for men and is getting worse because girls' attendance ratios lag behind boys'. As such, the focus of USAID investments in basic education is being narrowed to female literacy.

The remaining portfolio covers university research and academic and technical training which complements USAID's overall country strategy. Since 1975, USAID has financed over 13,000 participants in U.S. academic and technical training programs.

Title: **University Linkages II**
Number: **263-0211**
Amount: **\$10 Million (\$18 Million Planned)**
Initiated: **FY 1992**

USAID is helping bring Egyptian universities together with U.S. universities to carry out applied research on key developmental and technological problems, a process that also promotes long-term relationships between participating institutions.

Background/progress:

- 102 seed grants have been awarded to date to fund exchange visits between Egyptian and U.S. universities to enable them to work on proposals for "linkage" grants. Thus far, fifty exchange visits have taken place: 15 trips by U.S. university professors to Egyptian universities and 35 trips by Egyptian professors to U.S. universities. Of the 102 seed grants awarded, 77 have developed full proposals and are awaiting the completion of the review/award process.

Title: **Development Training**
Number: **263-0125**
Amount: **\$100 Million**
Initiated **FY 1985**

USAID promotes Government of Egypt (GOE) efforts to identify training needs, select and carry out cost-effective training opportunities, and optimize the use of individuals trained. This project has five components:

Egyptian Labor Development: Support for worker education, improved trade union practices, leadership development and targeted skills training provided by the African-American Labor Center.

Non-Project Training: Short-term training in Egypt and the U.S. and some limited long-term U.S. training to update skills of Egyptian professionals, managers and technicians and to solve technical/managerial problems in both the public and private sectors.

Integrated English Language Program: Pre-service and in-service training for English language teachers under the Ministry of Education and faculties of education in the regional universities, supplemented by general support for the English teaching profession through assistance to the Center for English Language Teaching (CDELT) at Ain Shams University administered by the U.S. Fulbright Commission.

English Language Testing and Training: Uniform English testing and training for USAID-funded participants at the American University in Cairo (AUC).

Peace Fellowships: Study tours in the U.S. for up to two years in disciplines critical to Egypt's economic growth.

Background/progress:

- An assessment of the Egyptian construction industry under the auspices of the African-American Labor Center and the Hassan-Fathy Institute is being carried out to consider vocational training needs from labor-management perspectives.
- 1,227 Egyptians from the public and private sectors have attended short- and long-term academic and non-academic programs in the U.S. under the non-project training component.
- Since the start-up of AUC's English language testing/training services for USAID in September 1989, a total of 8,000 Egyptians have been tested for English language proficiency and 5,000 trained.
- Over 1,220 Peace Fellows have begun training in the U.S.



INFRASTRUCTURE

● WATER AND WASTEWATER

A doubling of Egypt's population over the past 30 years and the influx of people from rural areas to the cities have put a severe strain on Egypt's ailing urban infrastructure, especially water and wastewater facilities. Outmoded and poorly maintained, the inadequate number of operational wastewater facilities posed a significant health hazard. Lack of capital to invest in the rehabilitation and expansion of the systems, as well as inadequate institutional capabilities to plan, construct, operate and maintain them further exacerbated the problem.

In 1975, USAID began to address the urgent issue of raw sewage in the streets of Cairo, Alexandria and the canal cities of Ismailia, Suez and Port Said, and later, in the provincial cities of Minya, Fayoum, and Beni Suef. Given the poor condition of the water and wastewater systems, rehabilitation preceded expansion. To date, USAID has provided over \$2 billion in the water and wastewater sector.

This assistance is focused in urban centers of production and commercial growth, where water and wastewater problems are more visible and where larger numbers of people can benefit. By 1995, approximately 22 million people in eight cities - about one out of every three Egyptians - will have improved water and wastewater services through USAID-funded activities.

Title: **Secondary Cities Development**
Number: **263-0236**
Amount: **\$30 Million (\$215 Million Planned)**
Initiated: **FY 1994**

USAID is expanding water and wastewater infrastructure investments to reach the communities of Mansoura, Nuweiba, Sharm El Sheikh, Luxor, and the Aswan group of Nasr City, Kom Ombo and Darawo City. The release of funds for capital improvements will follow the implementation of reforms agreed to by the Government of Egypt and USAID according to Action Plans that will be developed covering reorganization, targets and timing of reforms.

Background/progress:

USAID assistance covers:

- Institutional support: Technical assistance and training to assist in the design and introduction of reforms at central and local government levels critical to the operation of an autonomous utility, including tariff increases needed to cover operation and maintenance costs and full revenue retention.
- Engineering design/construction management at each site including environmental assessments.
- Construction of pipelines, pump stations and rehabilitation/construction of treatment plants, based upon substantial progress towards the achievement of institutional reforms.

Title: **Cairo Water Supply II**
Number: **263-0193**
Amount: **\$145 Million**
Initiated: **FY 1988**

This project builds on earlier completed assistance for the rehabilitation and expansion of the southern portion of the water treatment plant at Rod El Farag (\$97.4 million). This second phase of USAID investments in the rehabilitation and expansion of Cairo's central city water transmission and distribution system involves the installation of 53 kilometers of distribution and transmission pipe, the construction of four ground level concrete reservoirs, the rehabilitation of four pumping stations, and the establishment of a central water quality laboratory. Technical assistance to strengthen the institutional capacity of the General Organization of Greater Cairo Water Supply (GOGCWS) to operate and maintain the entire water supply system is included.

Background/progress:

- The construction of a central water quality laboratory, procurement and calibration of equipment, technical assistance, and training of laboratory staff is complete. The installation of the equipment is 95% complete.
- Construction is also complete for 19 kilometers of ductile iron transmission pipelines, four prestressed concrete water reservoirs with a total capacity of 120,000 cubic meters, and two pumping stations.
- Institutional development is being carried out in five program areas: (1) financial viability, (2) managerial development, (3) technical support for O&M, (4) materials management and procurement, and (5) project management and administration. Plans were developed for the implementation of both quantitative performance indicators and managerial policies to guide the actions and decisions of GOGCWS as its management moves the organization forward toward financial viability and autonomy.

Title: **Canal Cities Water and Wastewater II**
Number: **263-0174**
Amount: **\$338.634 Million (\$380 Million Planned)**
Initiated: **FY 1987**

The canal cities of Port Said, Ismailia and Suez were the locale of an earlier project, now completed, that financed the construction of sewage collection and water distribution systems (\$166 million). These two projects together serve about two million people. Wastewater treatment facilities for Port Said, Ismailia and Suez and an expansion of Port Said's water supply source are now being financed by USAID along with related institutional development and training.

Background/progress:

The current project includes three major activities:

- Construction of new wastewater treatment facilities in the three Canal Cities (work in progress).
- Construction of a water pump station at Kantara to upgrade the city of Port Said's water supply source from its capacity of 150,000 cubic meters to 320,000 cubic meters (work in progress).
- Institutional development and training to insure proper management, operation, and maintenance with the Suez Canal Authority (SCA) and the National Organization for Potable Water and Sanitary Drainage (NOPWASD). The SCA has agreed to assume responsibility for the operation and maintenance of the three plants. A comprehensive program involving training in management and operation is currently underway.

Title: **Cairo Sewerage II**
Number: **263-0173**
Amount: **\$771 Million (\$784 Million Planned)**
Initiated: **FY 1984**

Sustainable wastewater collection, treatment and disposal facilities are being financed by USAID for the West Bank of Cairo along with institutional and operations and maintenance (O&M) technical assistance. USAID is also providing institutional support to the Cairo General Organization for Sanitary Drainage (CGOSD) to enable it to better operate and maintain its physical facilities and to become a financially viable, autonomous organization.

Background/progress:

The enormous pressures of a burgeoning population coupled with the lack of proper maintenance contributed greatly to the deterioration of Cairo's wastewater system. Backed-up sewers and overflowing sewerage vaults were frequent occurrences in Cairo's poorer (and not so poor) neighborhoods. Only a few years ago, neighborhoods in the heart of the city experienced outbreaks of cholera attributable to sewerage contamination of the water supply.

Beginning in 1979, British, U.S. and GOE financing was dedicated to upgrade and expand the wastewater system. While the British effort is confined to improving the system on the East Bank of the Nile, the USAID-financed program has involved major projects on both sides of the Nile. Since the completion of the first phase in 1986, Cairo has not experienced a major sewerage flooding incident due to system failure.

- Under the current phase of U.S. assistance, USAID attention is concentrated on the West Bank. A massive sewerage connection program is well underway providing service connections to about two million people previously unserved by piped service. Much of this work is in the Embaba area.
- The rehabilitation of the Zenein Wastewater Treatment Plant (\$73 million), just south of Embaba, now is able to remove 95% of the pollution that would have been discharged into the Nile through the Nahya Drain. The expansion of the West Bank collection system has provided more than 300 miles of additional sewers (\$115 million), eight new pumping stations (\$79 million), and has constructed the Abu Rawash Primary Treatment Plant (\$114 million) and its innovative sludge handling facility (\$42 million) in the desert outside Cairo. Well over \$100 million has been invested to construct additional facilities to increase the overall reliability and capacity of the system.
- An operation and maintenance (O&M) technical assistance component was added to provide system start-up services and training to GOE employees responsible for the newly constructed facilities.
- A permanent GOE training center was established at the Zenein wastewater treatment plant, and a large-scale program of staff training is on-going to make certain that the wastewater system will be well operated and maintained in the future.

Title: **Provincial Cities Development**
Number: **263-0161.03**
Amount: **\$104.14 Million (\$113.255 Million Planned)**
Initiated: **FY 1981**

The three provincial cities of Fayoum (population 332,000), Beni Suef (220,000), and Minya (262,000) are receiving USAID support to improve their water and wastewater systems and to improve their capacity to plan, implement, and maintain urban infrastructure. Construction covers water treatment plants and supporting facilities in each city and improvements and extensions of the existing water and sewage disposal systems. Technical assistance is included to help each utility improve their institutional ability to manage water and wastewater infrastructure.

Background/progress:

- Construction of the three water treatment plants in Fayoum, Beni Suef and Minya is complete. Each has been operating for over a year at their design flow rate (300 liters per second, nine elevated tanks with a capacity of about 4,000 cubic meters).
- Construction of about 160 kilometers of water and wastewater lines is complete; existing pumping stations have been rehabilitated; and 51 pressure reducing/pressure sustaining valve chambers have been installed. This work was let to local firms under about 270 contracts.
- Institutional support is now underway to help the utilities plan for autonomy and self-sufficiency focusing on needs related to the O&M budget and revenue retention.

Title: **Alexandria Wastewater System Expansion**
Number: **263-0100**
Amount: **\$405 Million (\$425 Million Planned)**
Initiated: **FY 1977**

Working with the General Organization for Sanitary Drainage of Alexandria (A/GOSD), USAID has financed the design, construction and start-up of a sewerage system for approximately 75% of the city.

Background/progress:

A major program was undertaken in Alexandria for comprehensive improvements in the city's sewerage collection and pumping system including the sewerage of new areas, the construction of over 211 kilometers of sewers, seven new pump stations and four rehabilitated, two treatment plants east and west of the city, one sludge dewatering and disposal facility, and the disposal of primary treated effluent through sea outfalls. A comprehensive operations and maintenance (O&M) training program was set up for the line operators of the facilities as was an institutional training program for management personnel.

- The expanded system began operating in October 1993 virtually eliminating sewage flooding of the residential areas served by the system, reducing sewage discharges into the Mediterranean in the summer, improving the quality of life for residents of the sewerage areas and decreasing the incidence of water-borne disease.
- A Presidential decree was issued in March 1994 providing A/GOSD with a legal framework to become a self-sustaining, autonomous organization.
- Work will continue to the end of 1996 to fund the preparation of preliminary designs of selected alternatives for the next phase, environmental assessments and the continuation of O&M and institutional training.



INFRASTRUCTURE

● TELECOMMUNICATIONS

A series of USAID investments in Egypt's telecommunications sector are supporting the institutional strengthening of the Arab Republic of Egypt National Telecommunications Organization (ARENTO) and the improvement and expansion of telecommunications networks in Cairo and Alexandria. The benefits between 1981 and 1992 from three completed telecommunications projects valued at \$242 million have been significant: the number of communities connected to the direct dial network increased from 7 to 189; the number of international circuits increased from 820 channels to 5,560 channels; the number of telephone lines increased from 510,000 to 2,500,000; and the telephone density increased from 1.2 to 4 lines per 100 population, an increase of 25 percent. ARENTO has made changes in finance, accounting, payroll, personnel, planning, and management systems. Since 1980, telephone subscription and installation fees increased in an attempt to keep pace with rising expenses although tariffs for domestic service remain insufficient to recover costs. ARENTO's operating margins improved considerably because revenues from international service far exceed costs. This has enabled ARENTO to borrow the necessary funds to finance its outstanding debt service and to undertake some system expansion. For overall efficiency, further institution-building reforms are needed along with substantial new investment in telecommunications infrastructure to meet the enormous demand for new service.

Title: **Telecommunications Sector Support**
Number: **263-0223**
Amount: **\$80 Million (\$200 Million Planned)**
Initiated: **FY 1993**

The transformation of the Arab Republic of Egypt National Telecommunications Organization (ARENTO) into an autonomous utility capable of operating on a commercially sound, self-sustaining basis continues to be a target of USAID technical and capital assistance. In this project, capital improvements are conditioned on ARENTO reforms.

Background/progress:

Although Law 153, enacted in July 1980, gave ARENTO the legal framework to become an autonomous organization, in practice, the utility remains largely dependent on the Ministry of Transport, Communications and Maritime Transportation for all major decisions involving finances, tariffs, and employment. To enhance ARENTO's sustainability and streamline management, market pricing, cost recovery for services and fiscal autonomy, USAID supports a new policy reform matrix that was officially adopted by ARENTO on June 2, 1994. As reforms are implemented by ARENTO, they will leverage USAID funds for the following capital improvements: 20 digital switching systems for network expansion and associated outside plant consisting of 365,000 lines, a Network Operations Center (NOC), and training. The NOC will provide ARENTO's staff with network performance data to allow decisions to be made on a real-time basis to achieve optimum reliability in network operations.

Title: **Telecommunications IV**
Number: **263-0177**
Amount: **\$82 Million**
Initiated: **FY 1988**

USAID has made a long-term commitment to institution-building for the Arab Republic of Egypt National Telecommunications Organization (ARENTO) and the capital investments necessary to improve telecommunications systems serving the large population centers of Cairo and Alexandria.

Background/progress:

This fourth phase of USAID telecommunications support finances the installation of seven central office digital switching systems (DSS) and a centralized operation and maintenance system for the seven switches and outside plant facilities in the areas adjacent to the Pyramids, the Citadel, Heliopolis, Maadi, Mokattam, Central Cairo, Giza and Alexandria. Funds for pricing, operation and maintenance, and sector support studies are also included.

- Digital switching systems and outside plant have been completed for Opera, Giza, Ramses, Pyramids, Maadi, Mokattam, and Heliopolis adding 108,000 lines to the system. Work is in progress at Pyramids West and El Kalla which will add another 70,000 lines. By the end of the project, about 178,000 subscribers will be reached in Cairo giving access to about 800,000 telephone users.
- A telecommunications pricing strategy, ARENTO assessment, and operations and maintenance study have been completed.



INFRASTRUCTURE

● ENERGY

Since 1975, USAID has invested about \$1.6 billion in electric power. Egypt's long-postponed infrastructure investments had severely tested the public utilities of Cairo, Alexandria and many other cities. USAID assistance is helping better the lives of the vast majority of Egyptians through improvements in access, efficiency, and reliability of electricity. Energy use has grown rapidly in Egypt, revolutionizing the quality of life of most Egyptians and increasing production in the workplace. An estimated 90% of the population now has access to electricity. Electricity consumption has increased by six percent annually since the mid-1980s. Total installed capacity increased from 3,789 megawatts (MW) in 1976 to more than 12,000 MW in 1993. This expansion reflects rapid economic growth, increased urban and rural electrification, the introduction of energy-intensive industries, and the heavy subsidization of energy prices. Today, the Government of Egypt (GOE) not only gives high priority to increasing electric power generation and improving transmission and distribution systems, it is taking steps to reform energy pricing policies to prevent the wasteful and inappropriate use of energy. The GOE also plans to develop and expand various energy sources, including natural gas, a resource which was previously unexploited or wasted.

Title: **Power Sector Support II**
Number: **263-0224**
Amount: **\$26 Million (\$200 Million Planned)**
Initiated: **FY 1994**

USAID assistance is being provided to accelerate and enhance the transformation of the Egyptian Electricity Authority (EEA) into an autonomous electric utility capable of operating on a commercially sound, self sustaining basis.

Background/progress:

This second policy reform-based program funds the cost of capital investments covering engineering services, equipment and construction to improve the efficiency of the national electric power system. USAID financing is linked to reforms agreed to by the EEA and officially adopted by that Authority on May 19, 1995, which are intended to improve the EEA's overall planning and efficiency. The reforms affect the EEA's financial viability, increase its autonomy, and promote regulatory reform of the power sector.

Title: **Power Sector Support**
Number: **263-0215**
Amount: **\$461 Million**
Initiated: **FY 1989**

This USAID program provides substantial capital infrastructure as incentives to the Egyptian Electricity Authority (EEA) to encourage the adoption of sector policy changes that will bring about rational investment and consumption decisions.

Background/progress:

In 1989, the GOE embarked on a program to reduce subsidies by mid-1995 and, for the most part, progress has been on track. The average consumer price of electricity is equal to 74 percent of its economic price. USAID assistance includes:

- A 150 MW combined cycle unit is being installed at the Cairo South Power Plant which includes a 100 MW gas turbine generator, a heat recovery steam generator, a 50 MW steam turbine generator, mechanical auxiliary equipment, a control system, piping, and circulating water supply.
- At Cairo West Power Station, work has been completed to modernize its 87.5 MW steam turbine-generators and boilers and adapting them for dual fuel operation (heavy oil and natural gas).
- Three 24 MW gas turbine-generators have been refurbished, moved and installed at Hurghada on the Red Sea to cope with the increasing power demand at this touristic area.
- The National Energy Control Center's (NECC) microwave communication system is being expanded to collect operating data from six EEA stations between Cairo and the Suez Canal and its data processing capacity upgraded from 60 stations to 200 stations.
- Engineering design, construction services and major equipment are planned for El Kureimat covering two 600 KW thermal generation units.
- New construction will add 300 MV at the Abu Rawash Substation.

Title: **Alexandria Electrical Network Modernization**
Number: **263-0194**
Amount: **\$50 Million**
Initiated: **FY 1989**

The rehabilitation of selected areas of Alexandria's electrical distribution network and the construction of a modern Regional Control Center in Alexandria also receive USAID support.

Background/progress:

Working with the Egyptian Electricity Authority (EEA) and the Alexandria Electricity Distribution Company (AEDC), USAID is working on the rehabilitation of Alexandria's distribution network:

- 232 kilometers of 11 kilovolt (KV) of underground cables have been installed (out of 283 km. planned) and 21 out of 24 distribution points rehabilitated.
- 426 transformer points out of 712 planned have been rehabilitated.
- All 9,450 service boxes have been replaced.
- 2,234 fault indicators have been installed out of a planned 6,321.
- Future plans include the installation of a Regional Control Center to collect and present operating performance data on the subtransmission network and substations for modern remote control of the entire governorate of Alexandria. Technical data is now being collected and surveys undertaken to determine microwave tower heights, antenna heights and orientation.

Title: **Aswan High Dam Runner Replacement**
Number: **263-0160**
Amount: **\$140 Million**
Initiated: **FY 1982**

The Egyptian Electricity Authority (EEA) received USAID assistance to improve the reliability and the economy of operation of the High Dam Hydroelectric Power Station at Aswan. USAID financed the foreign exchange costs for the design, manufacture, testing and commissioning of the replaced hydraulic turbines, circuit breakers, relaying and control instrumentation and rehabilitation of hydraulic gates and mechanical equipment associated with the twelve hydro turbine-generators. Technical assistance and technical supervision has also been provided during the rehabilitation, installation, testing and start-up.

Background/progress:

The installed capacity of the Aswan High Dam Hydroelectric Power Station consists of twelve 175 megawatt generating units with a total capacity of 2100 megawatts. The High Dam power station is the largest single source of electric energy generation in Egypt and annually produces nearly 8 billion kilowatt-hours of electric energy which is equivalent to that produced by the combustion of some two million tons of oil.

- More than 100 EEA operations and maintenance (O&M) staff were trained at U.S. manufacturers on turbine runners, governors, relay systems and 500 KV circuit breakers.
- EEA O&M staff, working under the direction of technical advisors, were responsible for the disassembly, repairs reconditioning and reassembly of the twelve hydro turbine generators. Since ten turbines had to remain in operation at all times to meet the demand for power generation, two turbines were replaced each year over six years.

The direct benefits to Egypt resulting from this project which ends in 1995 include:

- Extending the operating life of the power station by 30 years;
- Full utilization of the Nile River flow to produce electrical energy using a clean, renewable energy source;
- Optimum design of the replacement hydro turbines providing an efficiency improvement in the conversion of hydraulic to electric energy of five percent;
- Elimination of water losses resulting from defective gate seals; and
- Replacement of the obsolete circuit breakers, relaying and control instrumentation which has enhanced the reliability of the 500 mile-long transmission system delivering the High Dam energy to the load center in Cairo.

Title: **Energy Manpower Development**
 Number: **263-0140.04**
 Amount: **\$8.6 Million**
 Initiated: **FY 1989**

These resources are provided under the USAID umbrella project Science and Technology for Development. This sub-project focuses on energy manpower development to improve the technical and managerial capabilities of the petroleum and electricity sectors.

Background/progress:

Based on manpower master plans and on-shore/off-shore training needs assessments for the Egyptian General Petroleum Corporation (EGPC), the Electricity Distribution Authority (EDA), and the Egyptian Electricity Authority (EEA), USAID funds are being provided for capacity building, training of trainers, improving on-shore training facilities, and related systems improvements.

	Completed	Planned
● Courses developed/taught in Egypt	49	60
● Staff trained in Egypt	959	1,540
● Staff trained in U.S.	96	110
● Trainers trained in U.S.	57 (114%)	50
● Three manpower master plans have been completed and thirteen micro computers installed providing the sector with the tools needed to improve manpower planning and development systems.		



GOVERNANCE AND DEMOCRACY

Recently, USAID/Egypt broadened its program to address needs associated with the improved performance and public accountability of democratic institutions. Egypt, with its long history of democratic institutions, has the basic infrastructure of democracy--a parliament structure, an independent judiciary and the proliferation of special interest groups. USAID assistance is now available to the legislature and judiciary in areas such as improving the research and analytic capabilities of legislative staff who produce briefing and options papers on national issues and helping the judiciary streamline and automate court administrative procedures.

USAID activities that strengthen popular participation in the decision-making process are not new. Greater involvement of private voluntary and non-governmental organizations (PVOs/NGOs) in economic development activities has long been sought by USAID. Community organizations are often uniquely suited to the task of delivering needed goods and services to the local level in an efficient, reliable manner. At the same time, helping PVOs/NGOs improve their ability to act as advocacy groups influencing decision-makers and public opinion on the allocation of resources serves the cause of sustainable democracy.

Title: **Community Resource Mobilization**
Number: **263-0225 (Under Technical Cooperation and Feasibility Studies)**
Amount: **\$8.4 Million**
Initiated: **FY 1994**

With USAID financial support, the U.S. private voluntary organization Cooperative for Assistance Relief Everywhere (CARE) is helping local community groups become effective development organizations and encouraging the growth of small and micro enterprises.

Background/progress:

Local community development has been an important component of USAID's contribution to Egyptian society. Implemented by CARE, the recently completed, \$3.9 million, Community Initiated Development (CID) project assisted approximately 120 Egyptian non-governmental organizations in Aswan, Qena, Sohag and Fayoum governorates acquire the skills needed to plan and manage community development activities. A major achievement was the establishment of self-sustaining, revolving loan funds to provide credit to low-income members of the community. Approximately \$2.8 million was disbursed to approximately 19,000 borrowers, of whom over 38 percent were women. The Community Resource Mobilization (CRM) effort, also located in Upper Egypt, is a follow-on project intended to increase the long-term level of resources available in participating communities and to provide new sources of income through stimulating growth in small and micro enterprises.

Title: **Water and Sanitation in Rural Areas**
Number: **263-0225 (Under Technical Cooperation and Feasibility Studies)**
Amount: **\$2.6 Million**
Initiated: **FY 1993**

With USAID financial assistance, the U.S. private voluntary organization Save the Children Federation (SAVE) has been carrying out a number of rural community development activities in Minya. USAID contributed approximately \$430,000 to strengthen community and local government participation in an activity incorporating animal production, micro enterprise, health care, education and agriculture. SAVE has also completed a \$150,000 USAID-funded child survival program reaching a target population of 50,000 and training 115 female health workers. A USAID-funded \$141,000 environmental health activity is ongoing.

Background/progress:

The larger water and sanitation activity is aimed at increasing access and use of clean water, and providing safe wastewater disposal systems in 30 villages in Upper Egypt by installing household slow sand filters for water purification and septic tanks for wastewater treatment.

- Construction: 267 sand filters and 542 drainage systems were installed in Qena and Sohag.
- Four workshops on proper water and sanitation practices were conducted.
- A child-to-child program was started to promote health and hygiene messages that can be passed on to other children.
- A hygiene education manual was produced and distributed.

Title: **Partnership Project for Girls and Young Women**
Number: **263-0225 (Under Technical Cooperation and Feasibility Studies)**
Amount: **\$2.6 Million**
Initiated **FY 1994**

USAID, working with Egyptian and American private voluntary organization partners and local leaders, is helping develop model programs in education, health and development for girls and young women to promote gender equity and to encourage community participation in the planning, implementation and evaluation of community-based programs.

Background/progress:

This project finances the work of the U.S. private voluntary organization Center for Development and Population Activities (CEDPA) in the three governorates of Minya, Beni Suef and Fayoum in Upper Egypt, sites selected because of their low female literacy rates and early childbearing norms. In addition, potential NGO partners existed in each area and all three have active and committed Governors' Councils of Women which offer bases for advocacy activities.

- The project has just begun its start-up phase focusing on initial logistic and organizational arrangements.

Title: **Private Voluntary Organizations (PVO) Development**
Number: **263-0220**
Amount: **\$9.8 Million (\$12.5 Million Planned)**
Initiated: **FY 1991**

The quality of life for many poor and disadvantaged groups in Egypt can be enhanced through community self-help activities. USAID is helping establish models that will reduce the constraints on Egyptian PVOs which hinder their ready access to financial resources and technical assistance.

Background/progress:

This project works through an Umbrella Management Institution (UMI) which is authorized by USAID and the GOE to provide grant funds to AID-registered PVOs and to assist a group of approximately 20 pre-registrant Egyptian PVOs to strengthen their capacity. The National Council of Negro Women (NCNW) is the US PVO that serves as the intermediary organization or UMI.

Approved grants to AID-registered PVOs include:

- Expanded and Integrated Maternal Child Health (\$810,000) to improve maternal and child health and other related conditions. (SAVE)
- Sohag Micro Enterprise Development Initiative (\$233,000) supports the formation, organization and management of the Sohag Businessmen's Association to promote the interests of the micro enterprise sector, to help develop credit and business training services, place unemployed youth in structured apprenticeships and establish an apprenticeship committee to improve training services and employee benefits. (CRS)
- Development of the Capability within Egyptian Red Crescent Society (ERCS) (\$874,000) develops a sustainable training capability within the ERCS focused on alleviating morbidity and mortality caused by emergency illnesses, accidents and natural disasters. (HOPE)
- Development of Nursing Clinical Education and Practice (\$764,000) to strengthen the delivery of nursing care through improved nursing education and clinical practice. (HOPE)
- Institutional Strengthening of Six Community Development Associations (CDA) (\$285,000) assists CDAs in Bayad El Arab, Beni Suef, to broaden their impact in the development process. (ICA)
- Business and Management Skills Training for Employment and Enterprise (\$437,000) provides training for poor, unemployed and low-income persons in Minya and Assiut to improve their socio-economic conditions. (CEOSS)
- Credit for Self Employment and Small Enterprise (\$215,000) encourages enhanced business activity in Minya and Assiut to improve socio-economic conditions. (CEOSS)

Title: **Decision Support Services**
Number: **263-0182**
Amount: **\$4.3 Million (\$12 Million Planned)**
Initiated: **FY 1993**

Members and staff of Egypt's two national representative bodies, the People's Assembly and the Shura Council, are the recipients of USAID assistance aimed at enhancing the availability of information for decision-making.

Background/progress:

Training and technical assistance is being provided to help the People's Assembly and the Shura Council automate and improve the effectiveness of the legislative and administrative processes. A training and orientation program in Egypt and overseas will offer members of both Assemblies, senior staff and technical staff the opportunity to learn how information technology can enhance the institutions' information and research capability, particularly for the formulation of public policy. The project offers training and orientation, special research and background studies, library services, management technology and skills training, and automation training to complement project-funded computer hardware and software.



OTHER

The USAID portfolio contains support that cuts across sectors, providing general resources aimed at facilitating program design and development and the testing of assistance modes.

Title: **Technical Cooperation and Feasibility Studies (TCFS)**
Number: **263-0225**
Amount: **\$30 Million (\$50 Million Planned)**
Initiated: **FY 1992**

TCFS resources help meet two broad U.S. economic assistance program development and implementation needs: (1) analysis associated with the identification, development, testing, and evaluation/monitoring of the projects being funded by USAID, and (2) greater private voluntary organization (PVO) involvement in U.S.-funded development activities.

Background/progress:

The following are typical of the feasibility and technical studies, general and sector surveys, pre-project and project design activities, evaluations and sector assessments funded under TCFS:

- A major engineering study to upgrade north Cairo's water distribution system.
- A feasibility study for a 1,200 megawatt power plant at El Kureimat.
- Design work for export promotion, Employee-Stock Ownership Plans (ESOPs), applied university research, and cost recovery programs for health.
- Technical assistance to establish standard policies and procedures for privatization through the Partnership In Development activity.
- Technical assistance to establish an automated information center at the Ministry of International Cooperation.
- Technical assistance to assess the seismic stability of the Aswan High Dam.
- A Cooperative Health Program to test approximately 30 bio-medical research and development activities.
- Studies such as the "Analysis of the Impact of Macro-economic Policies" and "Maintaining Food Security in Egypt."

Other support mechanisms include cooperative agreements:

- The Business Information and Economic Research Center of the American Chamber of Commerce in Egypt provides market access data to U.S. and Egyptian businesses. USAID funds are used for a weekly business TV show on Egyptian TV to provide better information to the public on the important role of the private sector.
- The U.S.-based Center for International Private Enterprise is providing technical assistance with USAID support to strengthen the Federation of Egyptian Industries in the areas of organization, governance, operations, membership, finance and personnel policies.

Examples of PVO activities include: fisheries development - CARE; improving nursing institutes - HOPE; farmer to farmer program - ACDI; improving the industrial, technical and managerial capabilities of Egyptian businesses - IESC; and water and sanitation - SAVE. Some overviews of PVO activities appear in other sections of this report, e.g., see Private Sector for IESC.



ANNEX

ACTIVE AND COMPLETED PROJECTS LISTS



**LIST OF ACTIVE PROJECTS
IN NUMERICAL ORDER
(\$ Millions)**

<i>263 No.</i>	<i>Title</i>	<i>Amount</i>
0100	Alexandria Wastewater System Expansion	404.924
0123	Energy Policy and Renewable Energy Field Testing	20.856
0125	Development Training	100.000
0132	Irrigation Management Systems	336.000
0140	Science and Technology for Development	2.945
0140.01	Science and Technology Cooperation	23.640
0140.02	Schistosomiasis Research	34.000
0140.03	Energy Conservation and Efficiency	49.500
0140.04	Energy Manpower Development	8.600
0152	National Agricultural Research	198.000
0160	Aswan High Dam Power Station	140.000
0161.03	Provincial Cities Development	104.410
0170	Cost Recovery for Health	60.000
0173	Cairo Sewerage II	771.000
0174	Canal Cities Water and Wastewater II	338.634
0177	Telecommunications IV	82.000
0193	Cairo Water Supply II	145.000
0194	Alex. Elec. Distrib. System/Reg. Control	50.000
0201	Private Enterprise Credit CIP	384.350
0201.03	Private Enterprise Credit	.648
0202	Agricultural Production and Credit	309.000

0203	Child Survival	67.941
0209	Public Finance Administration	26.800
0211	University Linkages II	10.000
0212	Small and Micro Enterprises	35.000
0215	Power Sector Support	461.000
0220	PVO Development	9.800
0223	Telecommunications Sector Support	80.000
0224	Power Sector Support II	26.000
0225	Technical Cooperation & Feasibility Studies II	30.000
0226	Export Enterprise Development	8.000
0227	Population/Family Planning III	30.000
0228	Small Enterprise Credit	17.000
0230	Egyptian Center for Economic Studies	2.000
0231	Decision Support Services	4.300
0233	Technical Support for Policy Reform	10.000
0236	Secondary Cities Development	30.000
0238	Privatization Support	14.000
0626/8	Cash Transfer	395.000
Various	Commodity Import Program	77.500



**LIST OF COMPLETED PROJECTS
IN NUMERICAL ORDER
(\$ Millions)**

<i>263 No.</i>	<i>Title</i>	<i>Amount</i>
9996	Review Assistance Program	.195
9997	Suez Canal Clearance	21.991
9998	Helicopter Transfer	3.000
9999	Port Said Mine Sweep	2.590
0001	Electric Power Distribution	29.834
0002	Technology Transfer and Manpower Development	0.934
0003	Technical and Feasibility Studies I	0.895
0004	Suez Canal Clearance Extension	0.035
0006	Population/Family Planning Research	0.130
0007	Road Building Equipment - Suez Canal Area	13.888
0008	Gas Turbine Generators - Talkha-Helwan (K-032)	67.299
0009	Ismailia Thermal Power Plant	249.576
0010	Mehalla Textile Plant Rehabilitation (K-033)	91.020
0011	Technology Transfer and Manpower Development II	1.895
0012	Suez Cement Plant	104.537
0013	Technical and Feasibility Studies II	14.574
0014	Alexandria Port Authority (K-031)	30.190
0015	Strengthening Rural Health Delivery	13.306
0016	Applied Science and Technology Research	22.460
0017	Water Use and Management	12.995

<i>263 No.</i>	<i>Title</i>	<i>Amount</i>
0018	Development Industrial Bank I (K-035)	30.176
0019	PVC Pipe Drainage (K-034)	19.137
0020	Integrated Social Work Centers	2.389
0021	Development Decentralization I	26.200
0023	National Energy Control Center (K-037)	42.296
0025	Technical and Feasibility Studies	17.787
0026	Technology Transfer and Manpower Development III	34.863
0027	Rice Research and Training	20.892
0028	Grain Silos Storage	53.635
0029	Family Planning	65.022
0030	Shoubra El Kheima Thermal Power Plant	261.503
0031	Agriculture Mechanization	37.574
0033	Urban Electric Power Distribution Equipment (K-043)	97.128
0035	Canal Maintenance (K-040)	29.960
0037	Grain, Tallow, Oils and Fats (K-041)	35.540
0038	Cairo Water Supply (K-040)	97.265
0040	Irrigation Pumping (K-039)	18.906
0041	Agricultural Development Systems	14.839
0042	Technical & Feasibility Studies IV	27.046
0045	Development Industrial Bank II	1.679
0047	Port of Suez Project (K-049)	10.125
0048	Canal Cities Water and Sewerage (K-050)	165.332
0052	Quattamia Cement Plant (K-051)	98.339
0054	Telecommunications I (K-047)	40.000
0060	Poultry Improvement	5.354
0061	Development Planning Studies	22.302
0064	Aquaculture Development	22.576
0065	Urban Health Delivery System	43.065
0066	Low Income Housing and Community Upgrading	75.583

<i>263 No.</i>	<i>Title</i>	<i>Amount</i>
0070	Major Cereals Improvement System	52.127
0071	Hydrographic Survey	7.068
0072	Port Said Salines Plant	12.899
0079	Small Farmer Production	80.000
0089	Alexandria Sewerage I (K-044)	48.925
0090	Industrial Productivity Improvement	14.639
0090.01	Management Development for Productivity	7.572
0090.02	Vocational Training for Productivity	15.881
0090.03	Industrial Technology Applications	8.034
0090.04	Innovative Productivity Activities	1.864
0091	Cairo Sewerage I	128.275
0095	Agricultural Cooperative Marketing	4.730
0096	Small Scale Agricultural Activities	1.608
0097	Private Investment Encouragement Fund	32.799
0101	Industrial Production (K-048)	120.039
0102	Technical Cooperation & Feasibility Studies	41.873
0103	Basic Village Services	69.933
0105	Mineral, Petroleum & Groundwater	33.417
0110	Peace Fellowships Program	59.668
0112	Private Sector Feasibility Studies	4.451
0113	Sinai Planning Studies	2.688
0114	Vehicle Maintenance Training	4.499
0115	Tax Administration	3.331
0116	Agricultural Management Development	4.065
0117	Telecommunications III	121.063
0118	University Linkages	26.629
0123	Energy Policy Planning	20.856
0127	Provincial Cities Development	19.913
0136	Suez Community Health Personnel Trg.	15.892

<i>263 No.</i>	<i>Title</i>	<i>Amount</i>
0137	Control of Diarrheal Diseases	33.808
0139	Basic Education	185.148
0142	Agricultural Data Collection and Analysis	4.801
0143	Decentralization Support Fund	50.000
0144	Population	112.963
0147	Production Credit	87.267
0153	Neighborhood Urban Services	19.998
0159	Business Support and Investment	3.356
0161.02	Basic Village Services	154.708
0161.04	Decentralization Support Fund	49.711
0161.05	Neighborhood Urban Services	68.986
0161.06	Sector Development and Support	7.173
0165	Safaga Grain Silos Complex	70.208
0176	Water and Wastewater Inst. Dev.	13.500
0182	Local Development II	401.143
0196	Talkha Combined Cycle Plant	64.674
Various	Commodity Import Program	3,812.000
Various	Cash Transfers	1,435.000