

PD-ABQ-587

41040



ASSOCIATES

**TECHNICAL EVALUATION**  
**of the**  
**EGYPTIAN ANTIQUITIES FUND GRANT**

**Submitted by**

**TvT Associates, Inc**

**Flemming Heegaard  
Chrys Kanellopoulos  
Tadros Mourad Tadros**

**Submitted to**

**The United States Agency for International Development  
USAID/EGYPT  
Unit 64902**

**Under Contract No AEP-I-0085-I-6020-00  
Task Order No 803**

**June 1998**

A

This technical evaluation of the Egyptian Antiquities Fund grant was made possible through support provided by the U S Agency for International Development (USAID) under the terms of Contract No AEP-0085-I-00-6020-00 The opinions expressed herein are those of the authors and do not necessarily reflect the views of USAID



## ACRONYMS

AFPC	Antiquities Fund Project Committee
ARCE	American Research Center in Egypt, Inc
CIB	Commercial International Investment Bank
DTII	Development Training Program, funded by USAID
EAF	Egyptian Antiquities Fund
EAP	ARCE's Egyptian Antiquities Project
L E	Egyptian Pound
RFP	Request for Proposal
SCA	Egyptian Supreme Council for Antiquities
USAID	U S Agency for International Development
USIS	U S Information Service



## CONTENTS

	<b>Page</b>
<b>EXECUTIVE SUMMARY</b>	1
<b>I. INTRODUCTION</b>	1
Evaluation Methods	2
<b>II HISTORY AND PROJECT RATIONALE</b>	5
<b>III PROJECT COMPONENTS</b>	7
Grant Management and Financial Systems	7
Grant Selection and Approval Process	7
Monitoring and Support of Subgrants	8
Management of the Trust Account	9
Management of the Budgetary Process	9
Management of the Training Programs	10
Status of Subgrants	11
<b>IV CONCLUSIONS AND RECOMMENDATIONS</b>	13
Progress and Technical Quality of the Projects	13
Quality of Training and Institutional Development	14
Grant Management and Financial Systems	14
Recommendations	14
Recommended Roles for USAID During the Proposed Extension 1998-2000	16
Recommended Roles for USAID During the Post-Grant Period 2000-2005	17
<b>FIGURES</b>	
1 Operating and Program Expenses	4
2 Projected ARCE Fund Balance 1998-2005	5
<b>ANNEXES</b>	
A Scope of Work	
B Persons Contacted	
C Interview Protocol	
D Summary and Current Status of Subgrants	
E Technical Review of Subgrants	
F ARCE Subgrant Award Process	
G Egyptian Antiquities Project (EAP) Financial and Budgetary Analysis	
H Summary of ARCE's Training Plan	



## **EXECUTIVE SUMMARY**

### **INTRODUCTION**

The purpose of the U S Agency for International Development (USAID) Egyptian Antiquities Fund (EAF) grant to the American Research Center in Egypt, Inc (ARCE), is to provide support to ARCE in its efforts to administer a program to restore and/or preserve Pharaonic, Coptic, Islamic, and other Egyptian antiquities. In the last year of the current grant agreement, USAID/Egypt contracted with TVT Associates, Inc, to conduct a technical evaluation of the grant program.

The scope of work called for providing data and examples indicating both the impact of the direct efforts to restore and preserve the monuments through the management of the subgrants, as well as indirect efforts to train Egyptian antiquities inspectors in field work and museum management. Accordingly, suggestions and recommendations are made for USAID's and ARCE's roles and relationships during the post-grant period (November 1, 1998, through March 31, 2005) during which ARCE will use the remainder of the grant funds to complete the ongoing subgrant activities.

### **EVALUATION METHODS**

The technical evaluation of ARCE's Egyptian Antiquities Project (EAP) was conducted by a three-person team consisting of a restoration architect, a financial expert, and a management consultant over a 2-week period (March 8-21, 1998). Site visits were conducted in Luxor and numerous sites in and around Cairo, subgrantees were interviewed at their respective sites. Written records at USAID, ARCE, and the CIB were reviewed and interviews were conducted with both USAID and ARCE officials. The level of progress at sites not visited was assessed by reviewing ARCE's records, statements, and reports, as well as those of USAID personnel familiar with the subgrant activities.

### **FINDINGS**

During the grant period under study, from November 3, 1993 through October 31, 1997, all 40 subgrants had been approved by ARCE and its interagency committee. Funds expended to date constitute approximately 12 percent of total grant funds of the U S \$15 million available in the grant. As of October 31, 1997, 20 percent of the funds committed for subgrant activities had been disbursed (subgrant expenditures are better indicators of progress in subgrant implementation than are grant expenditures). Many Cycle Two and Three projects are scheduled to begin in the next few months. This should help in the implementation and expenditures on the Cycle Two projects, where the apparently improved cooperation and efficiency on the part of the Egyptian Supreme Council for Antiquities (SCA) in issuing permits and security clearances should accelerate the rate of expenditure.



## MANAGEMENT OF THE TRAINING PROGRAMS

ARCE's primary objective is physical conservation, not institutional development, its training programs appropriately reflect the development of skills and knowledge of Egyptian inspectors in these areas. The training provided was field-oriented and very intensive. During hands-on excavation training, participants learned the rigors and techniques of physical labor. Management training included the guidelines for restoration. Former participants were not interviewed during this assessment, therefore, it is difficult to determine any changes in knowledge, skills, or attitudes produced by the training. There are, however, interesting anecdotes indicating that former participants are actively trying to improve standards, are training their staffs, and are working with ARCE on various projects.

## STATUS OF SUBGRANTS

To date, all 40 subgrants have been approved. These projects are concerned with the following activities: preservation, restoration, and conservation (23 projects), documentation (14 projects), training projects (6 projects), adaptive re-use (2 projects), feasibility studies (2 projects), equipment procurement (2 projects), and, site presentation, mapping, and publication (4 projects). Six projects have been completed (three each in Cycles One and Two). Of the remaining 11 projects in Cycle One, 7 are ongoing and 4 are delayed, due to various reasons, including lack of SCA or other official approvals and clarification of the necessary work. Of the 14 remaining Cycle Two projects, 8 are ongoing (1 is near completion) and 6 are delayed, due to prior commitments of the project director, lack of approvals from the SCA, and waiting for responses for clarification from subgrantees about their proposals or budgets. Many of the delays will be alleviated because of improved cooperation with SCA and the new SCA chairman. Regarding the delays related to university settings, EAP needs to continue to invest substantial time, energy, and patience in working with academics to explain, clarify, and negotiate before the subagreement is signed. This approach facilitates the smooth operation of the subgrant once the activities have begun, so that only monitoring functions (site inspections, review of progress reports) are required by EAP staff. EAP staff could try to broaden their search for experts outside the university community. The Cycle Three projects, having just been selected in July 1997, are on schedule.<sup>1</sup> ARCE and USAID appear to be in agreement that ARCE should eliminate the projects with serious implementation problems in order to conserve management level of effort. The change to the Maimonedes Synagogue in Cairo establishes a precedent for this action.

---

<sup>1</sup>The status of the subgrants is based on information obtained by communication with ARCE (June 10, 1998). Three additional subgrants have changed status from "planned" to "ongoing" since the time of the site visits but are shown in annex D as planned: Coptic Area, UV Filters, and Bab Zuweila.



## **PROGRESS AND TECHNICAL QUALITY OF THE PROJECTS**

ARCE is doing an excellent job under difficult circumstances. The pace of implementing the subgrants is slow due to several factors which were anticipated at the project's start: the process of selecting projects and finding experts who are capable of and available to carry out lengthy restoration and preservation work according to internationally agreed upon standards. Other factors which have influenced the progress of the projects are controlled by the Egyptian government, such as granting security clearances, site permits, and licenses.

Based on the site visits, discussions with project staff, and review of project materials, it is likely that the projects currently chosen will be completed by 2005. The technical quality of the work performed is in accordance with the Venice and Lahore charters, that is, with recognized standards in the field of restoration of medieval and Islamic antiquities. (ARCE is considering establishing a procedure using selected criteria to determine reprogramming of funds or reselection of projects in the few cases in which project implementation does not seem likely. The primary cause of the delays has been the long periods of time required to obtain SCA approvals, materials, permits, and security clearances. To a lesser extent, the nature of the work requires the recruitment of highly specialized experts, many of whom have prior academic commitments.)

## **QUALITY OF TRAINING AND INSTITUTIONAL DEVELOPMENT**

Although training and institutional development are not the primary objectives of the EAP, the individualized, highly intensive training has been conducted to professional standards. Eighty-eight participants from SCA were trained during Cycle One in the Field School (64) and Museum Management (24) programs. Another 100 participants are projected to be taught in Cycle Two in courses in conservation education (25) and cultural resource management (75). On-the-job training has been completed at four projects in documentation, monitoring, and conservation, is being provided in these areas as well as in preservation and restoration at eight additional sites, and, is planned for at six sites (three additional sites). By the end of the grant period, 38 individuals will have received on-the-job training in ongoing projects. Based on their post-training comments, the participants were enthusiastic about the value of training and have plans to train their own staffs in the skills and knowledge they acquired. On-the-job training is being continued on project sites to transfer skills effectively.

## **GRANT MANAGEMENT AND FINANCIAL SYSTEMS**

ARCE staff members, who are American, Egyptian, and other nationalities, appear to be highly competent. Excluding any major and currently unforeseen problems, ARCE should be able to complete the projects by March 2005. ARCE is considering canceling two or three problematic projects and increasing staff, which should help to alleviate the management burden. The existing financial reporting system is powerful, well-controlled, and monitored regularly.



## **RECOMMENDATIONS**

- 1 It would be advantageous to both ARCE and USAID to extend the grant an additional two years, from 1998 to 2000

USAID provides ARCE with oversight and prestige as well as invaluable support and assistance in subgrant implementation. An extension would provide opportunities for USAID to help implement improvements, review the budget, plan for the post-grant period, make decisions about grant reallocation of funds for projects which have serious implementation problems, and make any other changes in the grantee's management.

- 2 At the time of the extension, it would be useful for USAID, as an oversight management tool, to review ARCE's budgets and project descriptions. Annual summaries of existing time lines, presently available internally in ARCE, should be shared with USAID.
- 3 As ARCE is planning, training should be expanded to assist SCA inspectors and other staff in increasing their skills in physical conservation through field work, training in museum management, and in the adaptive and ecological use of sites.
- 4 ARCE should hold monthly management meetings to discuss financial reports and monthly results. A narrative description of monthly highlights and variances to revised relevant budgets/forecasts should be provided. Quarterly and monthly reports should be enhanced.
- 5 ARCE should be encouraged to further develop, refine, and discuss with USAID a procedure that would enable the cancellation of projects to ensure that the grant will be completed on time.

## **RECOMMENDED ROLES FOR USAID DURING THE PROPOSED EXTENSION 1998-2000**

- 1 USAID and ARCE would have the opportunity to negotiate and define in writing the roles and responsibilities of USAID, ARCE, and CIB during the post-grant period.
- 2 ARCE should try to resolve any major implementation issues, that is, any issues seriously delaying any subgrant.
- 3 USAID would receive annual reports from ARCE.
- 4 ARCE should present a plan to USAID, including revised time lines and budgets, that show how all of the subgrants will be completed by 2005.



- 5 USAID and ARCE would receive quarterly reports from CIB
- 6 USAID would continue its membership on the Antiquities Fund Project Committee (AFPC), the interagency committee, which would change its role from project approval to reviewing and discussing the implementation of the projects annually. An annual meeting with ARCE's project director would be useful, also
- 7 USAID should continue to intervene on behalf of ARCE with the government of Egypt to resolve issues that may delay subgrants, such as approvals, clearances, licenses, or permits

**RECOMMENDED ROLES FOR USAID DURING THE POST-GRANT PERIOD. 2000-2005**

- 1 The CIB should submit annual reports to USAID, who would share the results with the members of the AFPC
- 2 ARCE should continue to make the subgrant project sites available to USAID officials, AFPC members, other donors, and official guests of USAID for visits whenever it is requested by USAID. ARCE senior staff and contractors should be available to explain and discuss the nature of the projects as well as their progress in completing them
- 3 USAID should continue its oversight function of this project

It is in the common interest of ARCE and USAID to cooperate closely not only in reporting on and record keeping of the progress of the subgrants, but also on the use of this project as a showcase of the work which can be achieved in terms of physical restoration as well as in demonstrating how a donor can use a project to attract other donors and resources to aid in the preservation of world-renowned monuments



## I INTRODUCTION

The purpose of the U S Agency for International Development (USAID) Egyptian Antiquities Fund (EAF) grant to the American Research Center in Egypt, Inc (ARCE), is to provide support to ARCE in its efforts to administer a program to restore and/or preserve Pharaonic, Coptic, Islamic, and other Egyptian antiquities. In the last year of the current grant agreement, USAID/Egypt contracted with TvT Associates, Inc, to conduct a technical evaluation of the grant program.

The scope of work (see annex A) called for providing data and examples indicating both the impact of the direct efforts to restore and preserve the monuments through the management of the subgrants, as well as indirect efforts to train Egyptian antiquities inspectors in field work and museum management. Accordingly, suggestions and recommendations are made for USAID's and ARCE's roles and relationships during the post-grant period (November 1, 1998, through March 31, 2005) during which ARCE will use the remainder of the grant funds to complete the ongoing subgrant activities.

More specifically, the following questions posed in the evaluation scope of work were addressed:

- What is the progress of the subgrants in light of the original schedules? Are they likely to be completed by 2005?
- What is the technical quality of the work being carried out by ARCE and its subgrantees?
- What are the causes of the delays, to what extent are they specific to individual projects, and to what extent are they symptomatic of administrative, political, and cultural factors?
- What is the quality of the training and institutional development provided under the Program 1 subgrants? What is the impact of this training on performance on the job by the former trainees?
- Is the grant management system adequate, including the capacity of the existing staff to manage and complete the implementation of the existing 40 subgrants by the year 2005?
- Are the existing financial reporting systems and budgets by ARCE and the Commercial International Investment Bank (CIB) trust account efficient and adequate?



- How can ARCE's management and financial systems for the post-grant period be improved? This includes reporting schedules and the continued role of USAID and of the EAF committee, as well as suggestions for improving the overall pace of implementation

## **EVALUATION METHODS**

The technical evaluation of ARCE's Egyptian Antiquities Project (EAP) was conducted by a three-person team consisting of a restoration architect, a financial expert, and a management consultant over a 2-week period (March 8-21, 1998). Site visits were conducted in Luxor and numerous sites in and around Cairo, subgrantees were interviewed at their respective sites. Written records at USAID, ARCE, and the CIB were reviewed and interviews were conducted with both USAID and ARCE officials. Annex B provides the persons contacted, annex C contains the brief interview protocol used. The level of progress at sites not visited was assessed by reviewing ARCE's records, statements, and reports, as well as those of USAID personnel familiar with the subgrant activities.



## II. HISTORY AND PROJECT RATIONALE

As noted in the original grant agreement (USAID Grant No 263-0000-G-00-3089-00) and clearly evident from the site visits, the monuments and antiquities of Egypt are indeed in crisis. While they are extremely important as cultural and economic resources, they are also major attractions for tourists, who reportedly spend as much as \$3 billion annually in Egypt. However, the economy of Egypt currently has many other priorities which come before the costly maintenance of fragile antiquities. Both bilateral and multilateral donor assistance has been and remains necessary for the foreseeable future.

International attention to the need to preserve at least some of the most significant of the monuments has been growing, especially since the initiation of this grant. ARCE is not alone in leading this effort, but has performed an important function in leveraging additional funds and attention on the plight of the Egyptian antiquities from other international sources.

As summarized in annex D, 40 subgrants or projects were chosen for implementation under the grant. Although three fourths of the projects are devoted to the documentation, restoration, and preservation of Egyptian antiquities, some of the projects focus on training/institutional development activities, a few are concerned with feasibility studies, mapping, and equipment purchases for laboratories.

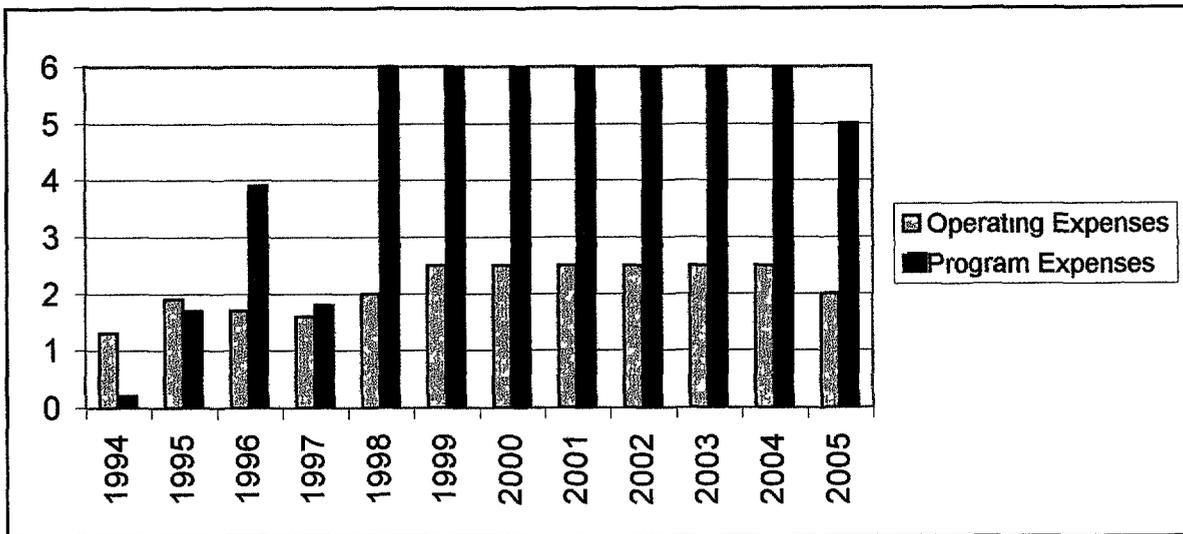
During the grant period under study, from November 3, 1993 through October 31, 1997, all 40 subgrants had been approved by ARCE and its interagency committee. Funds expended to date constitute approximately 12 percent of total grant funds of the U.S. \$15 million available in the grant. As of October 31, 1997, 20 percent of the funds committed for subgrant activities had been disbursed (subgrant expenditures are better indicators of progress in subgrant implementation than are grant expenditures). Many Cycle Two and Three projects are scheduled to begin in the next few months. This should help in the implementation and expenditures on the Cycle Two projects, where the improved cooperation and efficiency on the part of the Egyptian Supreme Council for Antiquities (SCA) in issuing permits and security clearances should accelerate the rate of expenditure. Figures 1 and 2 on the following pages show the projected rate of expenditure anticipated for the next few years as the trust fund account is depleted.

On August 8, 1996, a no-cost amendment to the grant was signed to clarify operational procedures in the management of the grant and to extend the grant two years, through October 1998.

The current ARCE project has attracted considerable attention from other donors interested in documenting and restoring Egyptian monuments. The Netherlands, Italy, the U.S. Information Service (USIS), and the International Institute of Education have contributed a total of LE 793,000 (U.S. \$233,325) in funding for several projects. The EAF grant has also

**Figure 1**  
**OPERATING AND PROGRAM EXPENSES**

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<u>Operating Expenses</u>	13	19	17	16	2	25	25	25	25	25	25	2
<u>Program Expenses</u>	02	17	39	18	6	6	6	6	6	6	6	5

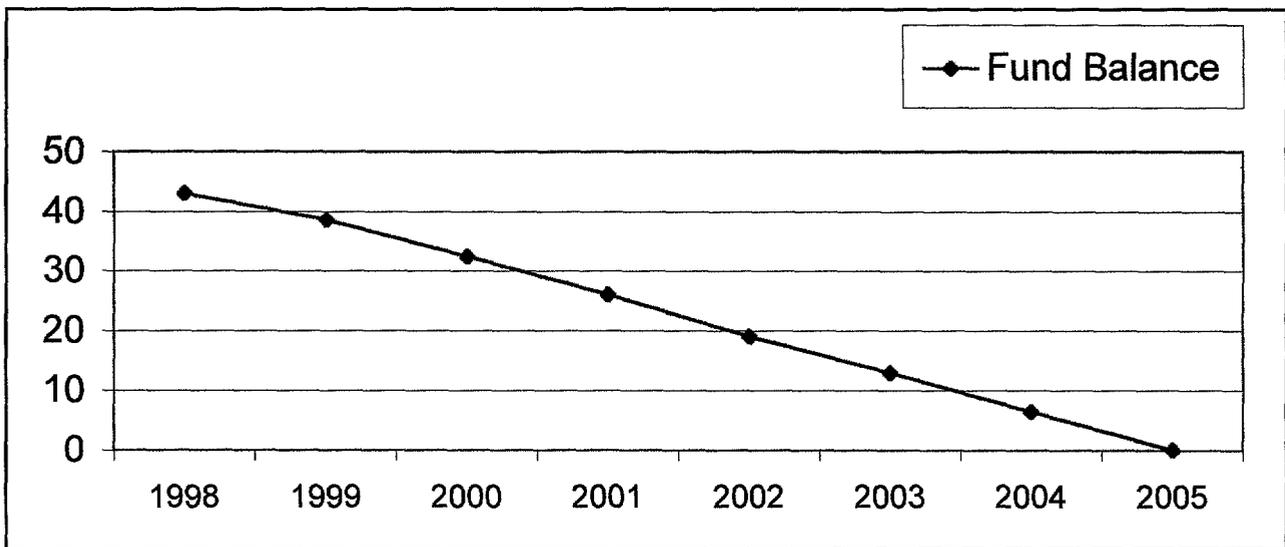


\* The EAF has enough monies to spend to reach the year 2005

\* Although the average actual expenditures for the first 4 grant years (1993-97) have been LE 16 and 19 million for operating and program expenses, respectively, the remaining period shows an aggressive spending estimate averaging LE 25 and 6 million for operating and program expenses, respectively

**Figure 2**  
**PROJECTED FUND BALANCE IN MILLIONS 1998 - 2005**

<b>Fund Balance in Millions, Egyptian Pounds</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
	43	38.5	32.4	26	19	13	6.5	0



\* Funds are assumed to be sufficient to complete the operating and program expenses for EAP

\* The decline in the balance over time assumes the following  
 An increase in spending with an annual average of LE 2.5 and 6 million, and,  
 A conservative estimate of an interest rate of 8 percent on the grant



attracted additional funding from other USAID activities, including LE 7,820 million (U S \$2 3 million) under the Gore-Mubarak Partnership for Sustainable Growth and Development. These projects include work at the Pharaonic Tomb of Seti I in the Valley of the Kings, the Ottoman Fort at Quseir, and two Coptic monasteries in the Eastern desert. In Medieval Cairo, the EAF grant attracted another separate USAID \$2 2 million infrastructure project which will upgrade a sewer main and install tile drainage around one of the mosques. This project will considerably help in dewatering the area around Bab Zuweila and a number of subgrants in the area will benefit. In Coptic Cairo, the EAF grant attracted an additional USAID \$4 1 million infrastructure project (separate from the EAF grant and the project noted above) which will upgrade some of the sewer networks and install tile drainage around some of the important monuments in Coptic Cairo. This project will considerably help in dewatering Coptic Cairo.



### **III PROJECT COMPONENTS**

#### **GRANT MANAGEMENT AND FINANCIAL SYSTEMS**

As a matter of general policy established in the original grant agreement, the program of restoration and preservation encompasses all periods of antiquities found in Egypt, such as Pharaonic, Coptic, Islamic, Graeco-Roman, and others. The complete list of subgrants displayed in annex D shows that these activities represent all of these time periods. The decision to represent these periods has affected the overall pace of project implementation because some subgrants, related to a particular period, require the application of resources which are much more difficult to procure than others. In addition, some periods, such as the Pharaonic, demand more attention than others because of problems with permits and clearances from the government of Egypt, a factor which has contributed greatly to delays in the progress of grant activities.

ARCE generally tries to choose projects which are likely to be clustered, such as in Islamic Cairo or the Valley of the Kings, and where there is not another restorer already working on the site. (With approximately 600 monuments available in Egypt, the latter is usually not a problem.) In retrospect, ARCE senior staff members reported that they would have selected fewer than 40 projects that encompassed a variety of restoration types, techniques, and historic periods. (See annex E for additional discussion of project sites.)

#### **GRANT SELECTION AND APPROVAL PROCESS**

ARCE begins the solicitation process by advertising the availability of requests for proposals (RFPs) in both weekly and daily newspapers. Announcements are also made in ARCE's own newsletter which is sent to ARCE consortium institutions, in other specialist newsletters, in the Commerce Business Daily, and to all individuals and institutions that have expressed interest.

All proposals received within the deadline are reviewed for completeness and responsiveness by a team composed of the ARCE technical director, the EAP project director, and the EAP grant administrator, with the latter serving as recorder of the various judgments of the merits of the proposals. The proposals are then reviewed by the ARCE Oversight Committee (in the United States). The EAP project director prepares a presentation of the projects for the Egyptian Supreme Council for Antiquities (SCA), with whom he meets to discuss the projects. Preliminary approval is received from the SCA on selected proposals. ARCE submits the selected proposals to the Antiquities Fund Project Committee (AFPC) an interagency committee composed of a member from the U.S. Information Service (USIS) and the Library of Congress, and three members from USAID. The committee then reviews and approves the proposals and transfers funds to a trust fund established at the Commercial International Investment Bank (CIB). At the final stage, there are technical reviews of the



projects by ARCE's technical director and other key technical staff, correspondence with the selected grantees is initiated to obtain any additional necessary information ARCE negotiates with the subgrantees, approved subprojects are submitted to the SCA for Permanent Committee approvals and security clearances (Annex F contains a listing of the types of subgrant projects, the number of proposals received, and subgrants selected )

The solicitation process appears to be fair and to result in the selection of important activities and competent subgrantees ARCE works within a comprehensive set of rules, regulations, guidelines, and safety checks which are necessary because of its position as a foreign organization and the host country's protectiveness of its ancient treasures

The delays in signing new subgrants and implementing activities on approved projects are due primarily to political and managerial causes Obtaining site permits, approvals, and security clearances as well as arranging for experts who need to mesh their academic workload with the grant's timetable has created scheduling difficulties on several of the projects In addition, climatic conditions have contributed to work delays (Before clearances are authorized, all aspects of the subproject need to be arranged and ready for implementation, including equipment, personnel, climate )

The amount of time required for review of the subgrants in New York by ARCE's own committee has also contributed to the delays as well as the considerable amount of time required to recruit qualified conservation specialists, archaeologists, architects, and other monument restorers Many of the technical experts have prior work commitments and are not readily available, causing delays until adequate staffing can be obtained

## **MONITORING AND SUPPORT OF SUBGRANTS**

To monitor subgrants ARCE prepares monthly reports showing the expenditures on the various projects The reports list the projects by cycle with actual expenditures for the month and the year to date, showing the variance from the approved budget

A work plan is prepared with major milestones and pay schedules for each subgrant project and is forwarded to the participating institution and subgrant director An advance of no more than 10 percent is given to the participating institution, with the remainder paid upon receipt of the project performance report from the grantee In cases where construction projects exceed \$100,000, bonding is secured with the contractor

In addition, the technical experts usually debrief ARCE's staff as they leave Egypt Because of the careful selection of the projects and experts, ARCE generally has carried out projects of very high caliber, meeting the high standards of both the Venice convention and the Lahore agreement on the restoration of Islamic monuments Provided that the SCA



continues to approve security clearances in a timely manner and that ARCE establishes a procedure for eliminating or substituting the few projects which may not be able to be implemented, ARCE should be able to complete all of the projects by the year 2005

ARCE's quarterly and annual reports were found to be adequate, however, elaboration regarding the rate of progress to date on the subgrants as well as a general analysis of the causes of the delays in subgrant implementation and remedial actions to be taken were lacking

### **MANAGEMENT OF THE TRUST ACCOUNT**

Due to the unusual nature of this project, which was anticipated from the beginning to require substantial initial funding as well as considerable time, a trust fund was established which is managed by the CIB. Contrary to expectations, the CIB has not had a major role in the management of the grants but has concentrated on preparing monthly reports on movement in the accounts, which are routinely sent to ARCE and USAID. This is primarily true because ARCE has been managing the subgrants itself. Despite the fact that ARCE is managing the financial aspects of the grant well, given the large amounts of funding which have been transferred, it would be appropriate to maintain the CIB's reporting role over both the extension and the post-grant periods.

ARCE keeps its own books which usually approximate the CIB's balance at each monthly closing. The differences can be accounted for by the fact that the CIB is a bank which can only reconcile what it has received, whereas ARCE issues checks which have not always cleared the bank by month's end. The CIB reports are very important to USAID, which uses them to monitor grant and subgrant expenditures. The project's financial and budget activities are discussed in greater detail in annex G.

### **MANAGEMENT OF THE BUDGETARY PROCESS**

The ARCE finance manager has demonstrated knowledge and competence in handling the EAF fund. Controls are in place, the monitoring of the fund is close and regular, and bank statement reconciliation is conducted monthly. The record keeping process is efficient and accounting information is readily available. Examples of EAP's efficient ownership and concern about its funds include successful negotiation with CIB on increased rates for time deposits (attempting to obtain the USAID preferred rate) and an increased interest rate on the fund account.

The financial reporting system is very powerful, standard and custom reports are produced on a monthly basis to track activity and aid in management decision making. The financial accounting and reporting system is fully computerized, the finance manager developed the system and is increasing its use innovatively in producing different types of reports. It is

evident that management is capable of handling the activity adequately. In spite of the powerful reporting tools that are available for generating monthly reports, delays in producing and submitting these reports make them less useful than they could be.

Budgets submitted to ARCE are based on current prices and costs at the time of the submission of the proposal. Cost analyses and detailed budget summaries are routinely prepared as part of the grant administrative review prior to discussions and issuance of subagreements. ARCE EAP staff routinely reviews cycle program budgets for internal reallocation among projects, for example, some subgrant budgets were reduced during the cost analysis and the budget balances later reallocated. The EAP budget is reviewed annually when a detailed budget with explanations of variances is submitted to USAID at the beginning of each calendar year.

The accounting and control system is efficient. However, the budgets that are in the automated system do not always match the most current analyses and reviews conducted by EAP staff, causing the actual expenditures to be at great variance with the budget figures.<sup>1</sup> Comparisons yield significant differences which make these comparisons less useful than they could be. The gap between budgets and expenditures was seen by ARCE staff as due to difficulties encountered where there were serious delays in obtaining permits and security clearances.

Both ARCE's own operating budget, as well as the subgrant budgets, are underspent. According to the most recent annual report (October 31, 1997) for the fourth grant year, only LE 1.6 million was spent out of a budget of LE 2.8 million for operations. Consequently, ample funds appear to be available (LE 1.2 million) to complete the project. (Over the 4-year grant period, operating expenses have averaged LE 1.6 million and program expenses have averaged LE 1.9 million annually.)

## **MANAGEMENT OF THE TRAINING PROGRAMS**

ARCE's primary objective is physical conservation, not institutional development, its training programs appropriately reflect the development of skills and knowledge of Egyptian inspectors in these areas. The training provided was field-oriented and very intensive. During hands-on excavation training, participants learned the rigors and techniques of physical labor. Museum management training included the guidelines for restoration. (It is questionable whether lectures in English should be used, given that some of the trainees appear to have only limited knowledge of the language.) Trainees and instructors resided together for

---

<sup>1</sup>Since the time of the site visit, the EAP finance manager has revised the budgets; the updated version of ARCE's computerized accounting software allows budgets to be entered for up to five years.



approximately one month, there is little doubt that instructors were aware of both needs and learning accomplishments of the participants

As indicated in annex H, 88 participants from SCA were trained during Cycle One in the Field School (64) and Museum Management (24) programs. Another 100 participants are projected to be taught in Cycle Two in courses in conservation education (25) and cultural resource management (75). All of these projected courses will have their participants selected from the SCA. On-the-job training has been completed at four projects in documentation, monitoring, and conservation, is being provided in these areas as well as in preservation and restoration at eight additional sites, and, is planned for at six sites (three additional sites). By the end of the grant period, 38 individuals will have received on-the-job training in ongoing projects.

ARCE's idea of sending a team of Egyptian archaeology inspectors for training in the United States and subsequently employing them as trainers and supervisors of other SCA Egyptian staff is a very good one which needs follow-up and implementation. The goal is to give all relevant and concerned antiquities staff the opportunity to learn the skills, knowledge, and international standards of documentation, restoration, presentation, and adaptive use of monuments and sites.

Former participants were not interviewed during this assessment, therefore, it is difficult to determine any changes in knowledge, skills, or attitudes produced by the training. There are, however, interesting anecdotes indicating that former participants are actively trying to improve standards, are training their staffs, and are working with ARCE on various projects.

According to the ARCE director, the suggestions made in the report, *Training Needs Assessment Approaches to Sustainable Tourism Demonstrated* (July 1997), by Richard Hailer, are being studied by ARCE and USAID as a possible strategy for expanding the role and capacity of the SCA. The report suggests a systematic approach to training antiquities inspectors in adaptive site use and in developing ecotourism.

## **STATUS OF SUBGRANTS**

To date, 40 subgrants have been approved. These projects are concerned with the following activities: preservation, restoration, and conservation (23 projects), documentation (14 projects), training projects (6 projects), adaptive re-use (2 projects), feasibility studies (2 projects), equipment procurement (2 projects), and, site presentation, mapping, and publication (4 projects). Six projects have been completed (three each in Cycles One and Two). Of the remaining 11 projects in Cycle One, 7 are ongoing and 4 are delayed, due to various reasons, including lack of SCA or other official approvals and clarification of the necessary work. Of the 14 remaining Cycle Two projects, 8 are ongoing (1 is near



completion), and 6 are delayed, due to prior commitments of the project director, lack of approvals from the SCA, and waiting for responses for clarification from subgrantees about their proposals or budgets. Many of the delays will be alleviated because of improved cooperation with SCA and the new SCA chairman. The Cycle Three projects, having just been selected in July 1997, are on schedule.<sup>2</sup>

ARCE and USAID appear to be in agreement that ARCE should eliminate the projects with serious implementation problems in order to conserve management level of effort. The change to the Maimonedes Synagogue in Cairo establishes a precedent for this action.

---

<sup>2</sup>The status of the subgrants is based on information obtained by communication with ARCE (June 10, 1998). Three additional subgrants have changed status from "planned" to "ongoing" since the time of the site visits but are shown in annex D as planned: Coptic Area, UV Filters, and Bab Zuweila.



#### **IV CONCLUSIONS AND RECOMMENDATIONS**

The results of USAID's grant, in addition to providing the original funding, has been to enhance the prestige and visibility of ARCE as a premier documentation, restoration, and preservation organization in Egypt. USAID also provides support for a range of project and overall issues. USAID's suggestions and help have been important in project policy and implementation, particularly with SCA security clearances and site permits. USAID also plays a useful role in attracting other donors to assist in solving the problems of preserving the antiquities of Egypt.

#### **PROGRESS AND TECHNICAL QUALITY OF THE PROJECTS**

ARCE is doing an excellent job under difficult circumstances. The pace of implementing the subgrants is slow due to several factors which were anticipated at the project's start: the process of selecting projects and finding experts who are capable of and available to carry out lengthy restoration and preservation work according to internationally agreed upon standards. Other factors which have influenced the progress of the projects are controlled by the Egyptian government, such as granting security clearances, site permits, and licenses.

Based on the site visits, discussions with project staff, and review of project materials, it is likely that the projects currently chosen will be completed by 2005. The technical quality of the work performed is in accordance with the Venice and Lahore charters, that is, with recognized standards in the field of restoration of medieval and Islamic antiquities. (ARCE is considering establishing a procedure using selected criteria to determine reprogramming of funds or reselection of projects in the few cases in which project implementation does not seem likely.)

The primary cause of the delays has been the long periods of time required to obtain SCA approvals, materials, permits, and security clearances. The delays have been serious in the past due to political factors. The change in leadership should alleviate the severity of the delays and improve grant implementation. To a lesser extent, the nature of the work requires the recruitment of highly specialized experts, many of whom have prior academic commitments. Delays are also caused by the research administration in a university or college setting, such as requesting administrative clarifications and supporting documentation/details regarding cost information. EAP needs to continue to invest substantial time, energy, and patience in working with academics to explain, clarify, and negotiate before the subagreement is signed. This approach facilitates the smooth operation of the subgrant once the activities have begun, so that only monitoring functions (site inspections, review of progress reports) are required by EAP staff. EAP staff could try to broaden their search for experts outside the university community.



## **QUALITY OF TRAINING AND INSTITUTIONAL DEVELOPMENT**

Although training and institutional development are not the primary objectives of the EAP, the individualized, highly intensive training has been conducted to professional standards. Based on their post-training comments, the participants were enthusiastic about the value of training and have plans to train their own staffs in the skills and knowledge they acquired. On-the-job training is being continued on project sites to transfer skills effectively. (Additional training will be conducted under the Development Training (DTII) program, a separate USAID project.)

## **GRANT MANAGEMENT AND FINANCIAL SYSTEMS**

ARCE staff members, who are American, Egyptian, and other nationalities, appear to be highly competent. Excluding any major and currently unforeseen problems, ARCE should be able to complete the projects by March 2005. ARCE is considering canceling two or three problematic projects and increasing staff, which should help to alleviate the management burden.

The existing financial reporting system is powerful, well-controlled, and monitored regularly. With the updated accounting software, budgets have been revised to reflect actual expenditures.

Both ARCE's own operating budget, as well as the subgrant budgets, are underspent. Only LE 1.6 million was spent out of a budget of LE 2.8 million for operations for the fourth grant year. Based on the average operating expenses over the 4-year grant period, ample funds appear to be available to complete the project. ARCE's operating expenses are reasonable for the type of project being conducted over the life of the project. The operating costs have been high in the first four years in relation to program costs but will decrease significantly (by about half) for the duration of the grant period. The 5-year grant operating budget consists of LE 8.7 million and the projected addition of LE 3.3 million, which is interest income. The operations budget will continue to be funded through interest income. The lower the annual operations expenses, the longer ARCE's EAP staff can function and add monies to actual work on the monuments. The remaining funds, including interest, are sufficient to cover projected operating expenses through the end of the grant in 2005, based on EAP's projections.

## **RECOMMENDATIONS**

- 1 It would be advantageous to both ARCE and USAID to extend the grant an additional two years, from 1998 to 2000.**

USAID provides ARCE with oversight and prestige as well as invaluable support and assistance in subgrant implementation. An extension would provide opportunities for USAID to help implement improvements, review the budget, plan for the post-grant period, make decisions about grant reallocation of funds for projects which have serious implementation problems, and make any other changes in the grantee's management.

- 2 At the time of the extension, it would be useful for USAID, as an oversight management tool, to review ARCE's budgets and project descriptions. Annual summaries of existing time lines, presently available internally in ARCE, should be shared with USAID.**

The descriptions of the projects should be more detailed and specific, and whenever possible, more measurable than they currently are to monitor progress.

- 3 As ARCE is planning, training should be expanded to assist SCA inspectors and other staff in increasing their skills in physical conservation through field work, training in museum management, and in the adaptive and ecological use of sites.**

Participants of one training project should also be used on other projects to assist Egyptian antiquities inspectors in learning how to protect the sites and to make them ecologically viable. Additional trainers should be trained, with perhaps increased use of bilingual instructors, manuals in Arabic which participants can take home to use in training their staff should be developed, and, behavioral objectives for training, along with post-course tests, should be developed in order to establish a record of what was retained from the course in terms of skills, knowledge, and attitudes. The training programs also could benefit from the establishment of behavioral criteria by which to measure training outcomes. Preparing the trainees in methodology as well as content would enable them to conduct seminars and workshops for the SCA staff, leading to upgrading of all the antiquities inspectors in Egypt. It might be useful to combine Hailer's suggestions with the training-of-trainers ideas noted above to create an initiative which could make a long-term institutional impact on the Egyptian antiquities organization.

- 4 ARCE should hold monthly management meetings to discuss financial reports and monthly results. A narrative description of monthly highlights and variances to revised relevant budgets/forecasts should be provided. Quarterly and monthly reports should be enhanced.**

ARCE's quarterly and annual reports should include additional information regarding the rate of progress to date on the subgrants. A general analysis of the causes of the delays in subgrant implementation and remedial actions to be taken should be added to the highlights and progress section of the report, detailed analysis would improve the narrative.

on each subgrant in the section presenting the plans for the next grant year (It may not always be possible, however, to provide specific information ) A summary sheet showing the status of the subgrants (ongoing, delayed, completed), project cycle, and subgrantee should be added Summarized time lines for the subgrants showing progress on an annual basis and including the major stages of the subgrant should be added to this summary, also Because ARCE's automated system and internal monitoring procedures contain subgrant and operating expenditures (planned versus actual), it would be useful for ARCE to submit this information with the annual report Dated annual reports should be submitted to USAID in a timely fashion, that is, within one or two months of the close of the project year Minor improvements regarding the general format/structure of the report include the addition of a table of contents and a division of the sections following the main body of the report (that is, the pictures, newspaper clippings, notices about ARCE's lectures) into an annex

- 5 ARCE should be encouraged to further develop, refine, and discuss with USAID a procedure that would enable the cancellation of projects to ensure that the grant will be completed on time**

A proposal for instituting such a procedure for canceling the most troublesome projects should be submitted by ARCE at the time of the proposed extension

#### **RECOMMENDED ROLES FOR USAID DURING THE PROPOSED EXTENSION 1998-2000**

During this period, USAID's relationship with ARCE would not change dramatically The following actions are recommended

- 1 USAID and ARCE would have the opportunity to negotiate and define in writing the roles and responsibilities of USAID, ARCE, and CIB during the post-grant period**
- 2. ARCE should try to resolve any major implementation issues, that is, any issues seriously delaying any subgrant**
- 3 USAID would receive annual reports from ARCE**
- 4 ARCE should present a plan to USAID, including revised time lines and budgets, that show how all of the subgrants will be completed by 2005**

The plan should include time lines that show the completion dates of the major components of the subgrants, and for delayed subgrants, the dates when major constraints will or should be overcome This plan would serve as a monitoring/planning tool during

the post-grant period. It would be updated annually as it would be the basis for the evaluation of the progress of subgrants in ARCE's annual report to USAID.

- 5 USAID and ARCE would receive quarterly reports from CIB**
- 6 USAID would continue its membership on the Antiquities Fund Project Committee (AFPC), the interagency committee, which would change its role from project approval to reviewing and discussing the implementation of the projects annually. An annual meeting with ARCE's project director would be useful, also**
- 7 USAID should continue to intervene on behalf of ARCE with the government of Egypt to resolve issues that may delay subgrants, such as approvals, clearances, licenses, or permits**

#### **RECOMMENDED ROLES FOR USAID DURING THE POST-GRANT PERIOD 2000-2005**

- 1 The CIB should submit annual reports to USAID, who would share the results with the members of the AFPC**

Because USAID would have a strong interest in the work of its former grantee, which will still be spending USAID funds under the grant until 2005, it is suggested that the committee continue to meet annually. ARCE would be invited to discuss progress as well as problems in implementing the projects approved under the grant. Since the members of the committee would undoubtedly change over the years, this would also give the different agencies involved an insight into this important activity.

- 2 ARCE should continue to make the subgrant project sites available to USAID officials, AFPC members, other donors, and official guests of USAID for visits whenever it is requested by USAID. ARCE senior staff and contractors should be available to explain and discuss the nature of the projects as well as their progress in completing them**

This is particularly important because the nature of USAID is such that the U.S. staff members are frequently new to the project as well as to Egypt. Therefore, their orientation to this long-term project becomes very important in order to maintain understanding and support for this project within the Mission in Cairo.



**3. USAID should continue its oversight function of this project.**

Given that this is a high-cost, long-term project and one with high visibility for both the general public and U S decision and policymakers, USAID's oversight function appears to be very important not only to ARCE, but to USAID itself

It is in the common interest of ARCE and USAID to cooperate closely not only in reporting on and record keeping of the progress of the subgrants, but also on the use of this project as a showcase of the work which can be achieved in terms of physical restoration as well as in demonstrating how a donor can use a project to attract other donors and resources to aid in the preservation of world-renowned monuments



## **ANNEXES**

**A Scope of Work**

**B. Persons Contacted**

**C Interview Protocol**

**D: Summary and Current Status of Subgrants**

**E. Technical Review of Subgrants**

**F ARCE Subgrant Award Process**

**G Egyptian Antiquities Project (EAP) Financial and Budgetary Analysis**

**H Summary of ARCE's Training Plan**



**ANNEX A**  
**SCOPE OF WORK**  
**(from USAID)**

Grant No. 263-0000-G-00-3089-00  
Attachment 1**SCOPE OF WORK****Technical Evaluation of the Egyptian Antiquities Fund Grant****I BACKGROUND AND EAF GRANT DESCRIPTION**

**Project Description** The Egyptian Antiquity Fund (EAF) Grant purpose is to promote preservation and restoration of Egyptian Antiquities. The total amount of the grant is L E 50 4 million (\$15 0 million) and the Grantee is the American Research Center in Egypt, Inc (ARCE), a non-profit U S institution. The period of the grant is five years, November 3, 1993 - October 31, 1998. Funds approved by USAID for subgrants and operational expenses are deposited in a trust account under a Trust Agreement that extends after the EAF grant completion date to enable ARCE to complete all the activities initiated under the grant agreement. The Trust Agreement termination date is March 31, 2005.

Under the EAF grant, ARCE designs and administers a sub-grant program to conserve Egyptian antiquities. Plans for sub-grant activities are organized in funding cycles prepared by ARCE. The sub-grants in these funding cycles are either activities that have been proposed by ARCE in their original proposal or received in a response to an open request for sub-grant proposals from Egyptian and U S academic/archeological institutions. The proposed plans are reviewed and approved by ARCE, the Egyptian Supreme Council for Antiquities (SCA) and the USAID/U S Embassy EAF Committee. Once the funding cycle plan is approved, USAID transfers the total estimated amount of the funding cycle to a trust fund established at the Commercial International Investment Bank (CIB). ARCE then proceeds to procure and award sub-grantees for the proposed activities. Some of the planned activities are implemented directly by ARCE, other activities are implemented by other institutions or individuals. The EAF Project includes the following Components:

- 1) **Promotion of the conservation of cultural resource (Program 1)** This is the institutional development component of the project which provides training to SCA staff in excavation, conservation techniques, documentation and museum management. Training is provided both locally and in the U S.
- 2) **Preservation and restoration projects (Program 2)** This is the principal component of the project which finances sub-grants for conservation activities. Under these activities, conservation procedures will be carried out on more than 20 antiquities sites. Sites selected are from the Prehistoric, Pharaonic, Greco-Roman, Coptic, Islamic, and other periods.

**PROJECT STATUS** The Grant Agreement was signed on November 3, 1993. On May 19, 1994 the EAF Project Committee approved the First Cycle of Sub-grants. This cycle includes 14 activities (sub-grants), and has a total budget of L E 19,369,000 (\$5.7 million). Cycle One Plan includes eight restoration and documentation activities and six institutional development activities. The restoration activities include historical sites in the Medieval Islamic and Coptic areas of Cairo. The activities also include Pharaonic and Prehistoric sites in Luxor and the Sinai. Work is underway in most Cycle One Sub-grants.

On June 25, 1995 the EAF Project Committee approved the Second Cycle of Sub-grants. This Cycle includes 17 activities and has a total estimated budget of L E 15,425,475 (\$4.5 million). Cycle Two Plan includes 12 conservation and documentation activities and five institutional development and training activities. The conservation activities include Pharaonic monuments, Graeco-Roman monuments, Medieval Islamic monuments and a synagogue. Work has started on most of Cycle two Sub-grants. Requests for sub-grant proposals for a Third Cycle of Sub-grants will be advertised in the Fall of 1996.

On July 21, 1997 the EAF Project Committee approved the Third Cycle of Sub-grants. Cycle Three Plan includes nine activities and has a total estimated budget of L E 4,022,327. The plan includes one institutional development and training activity and eight documentation, conservation and restoration activities. The documentation and conservation activities include three Pharaonic monuments, two Graeco-Roman monuments, two medieval Islamic monuments, and one Coptic Byzantine activity.

As a result of the approval of this third cycle, ARCE received, in the Egyptian Antiquities Trust Account, the last tranche of remaining funds in the grant agreement. The EAF grant agreement is scheduled to expire in October 1998. USAID is currently considering a request by ARCE to extend the grant agreement an additional year or two. After the grant expiration date, ARCE will continue funding subgrants through the Egyptian Antiquities Trust Agreement which extends to the year 2005. The Antiquities Trust Agreement will enable ARCE to complete all conservation activities started under the grant agreement.

## **II GOAL & OBJECTIVES OF THIS ASSESSMENT**

The goal of this technical assessment is to determine how successful the grantee (ARCE) has been in its efforts to administer a program of subgrants to restore and/ or preserve Pharaonic, Coptic, Islamic and other Egyptian antiquities and achieve its two goals of

- 1) Promotion of the Conservation of Cultural Resources (referred to as Program 1), and
- 2) Preservation and Restoration Projects (referred to as Program 2)

The assessment will provide sufficient data and recommendations to determine USAID's role

and inputs during the Antiquities Trust Agreement period following the grant agreement completion date (October 31, 1998 to March 31, 2005), this period is hereafter referred to as the "Post-Grant Period"

The assessment will also discuss ARCE's recent request to extend the grant agreement period for an additional year or two. The assessment will determine what could be achieved in such an extension to improve transition into the Post-Grant Period

### **III. SPECIFIC TASKS**

Through the review of project files, technical reports, field visits and meeting with key individuals it is proposed that the contractor undertake the following tasks

- 1 **Evaluate Progress of Subgrants** Under this task the consultant will evaluate progress to date in subgrants in comparison to original grant schedules and subsequent revised schedules. The consultant will also evaluate the technical quality of the work provided to date and determine if the completed work is in accordance to international conservation standards and conventions. This task will determine the general pace of work in the subgrants. The consultant should also review delays in subgrants and determine if these delays are specific to the particular subgrants or do they reflect a problem in the ARCE/EAF management system (this particular question overlaps with components of task 2)

Specific Objectives of this task this task should answer the following questions

- Are the subgrants progressing at an adequate rate that will enable them to be completed by the year 2005?
- What is the quality of the work completed to date under Program 2?
- What is the quality of training and institutional development activities provided under the Program 1 subgrants? what is the impact of this training on trainees and their roles in SCA (this task could include interviewing some of the trainees)?

- 2 **Evaluate the Grant Management and Financial Systems** Under this task the consultant will review the financial statements and audit reports of ARCE and the EAF Grant and the CIB financial reports and review ARCE's EAF team organization, responsibilities of each member, work load, etc. The consultant will also review the function of the CIB Trust Account and its operations. The objectives of this task will be

- On the management side Determine if the existing EAF staff is adequate and sufficient to manage the existing number and type of subgrants,

- On the financial side Determine the adequacy and efficiency of the existing financial systems and financial reporting systems of the ARCE/EAF Grant and the CIB Trust account
- Also on the financial side Review ARCE's budget estimates for the Post-Grant period and analyze ARCE's financial needs and cash flow during that period and provide recommendations regarding management of operational expenses after the grant completion in October 31, 1998
- Provide recommendations to improve ARCE's management and financial system and USAID's monitoring system (mainly in the Post-Grant period)

Note This task will rely on the review of existing reports and information collected in the various EAF financial audits especially the FY 97 audit and will not therefore include a new financial audit

3 ***Provide recommendations to Improve the Grant Management System*** Based on the data collected and information gathered, and the issues identified, the consultant will provide recommendations to improve the management of the grant during the remaining period of the grant (which may include the proposed extension) and during the Post Grant period This task will specifically provide recommendations regarding the following issues

- Do USAID and the EAF Committee need to continue their involvement after the grant completion date and what should be the form and level of involvement (based on evaluation of progress to-date and the issues identified),
- How could USAID and ARCE improve management of the EAF?
- Recommendations regarding some important subgrant issues (if applicable)
- What type of monitoring system (reports, field trips, meetings, etc ) will USAID require in the Post Grant period?
- Is the recently proposed grant agreement extension justified to improve the transition from the Grant Agreement to the Post-Grant Period? and if so, what will be the goals and target activities that have to be completed before the end of the grant agreement to facilitate the transition?

#### IV GUIDANCE AND DIRECTIONS/COLLABORATION

For all issues related to technical and financial matters, the Consultant will receive guidance and directions from the USAID project officer for this activity Mr Seifalla Hassanein The Grant Officer (Procurement Officer) for this activity, and the Mission Evaluation Officer will also be involved with the Project Officer in reviewing the consultant's reports and in meetings to review grant issues The Consultant will undertake this assessment study in close coordination with the grantee, the American Research Center in Egypt, the Commercial International Bank (CIB) and the Supreme Council of Antiquities (SCA)

#### V REPORTING REQUIREMENTS

The following reports will be prepared by the Contractor Five copies of each report should be submitted to USAID

- (1) *Work plan* -- Within two (2) working days of the commencement of this assessment, the Consultant should submit to USAID a work plan that includes a preliminary plan on how the Consultant will undertake the above described tasks, content of the deliverables, and timing of their submission (a two page document)
- (2) *Draft Assessment Report* -- Two (2) weeks after the commencement of this assessment, the consultant will provide USAID a draft assessment report which would satisfy all the major tasks required in Section III (above) This draft report would also include all the major findings of the consultant and preliminary recommendations The preliminary draft assessment report should not exceed 10 pages
- (3) *Final Assessment Report* -- Two weeks after USAID reviews and approves the Draft Assessment Report, the consultant will submit the Final Assessment Report (five copies) This report will be around 10-15 pages and should include an executive summary (one page) listing the major findings and recommendations The final report will also include a conclusion and recommendation sections which gives the consultant's final opinion and recommendations on the various issues raised in the tasks section (Section III above)

#### VI LOGISTICAL SUPPORT

The Contractor will be responsible for all the logistical support

## VII. TECHNICAL ASSISTANCE REQUIREMENTS

The Consultant shall provide the necessary expertise to carry out the tasks described in Section III. The minimal staff required are the following:

- (1) **Team Leader/ Evaluation Expert** The Task Team Leader will be responsible for the overall management of this assessment. Specifically, he/she will ensure that all the specific tasks are completed and will be directly responsible for drafting the Mid-Term Assessment Report. The Team Leader will also coordinate the inputs of the Conservation Expert and the Financial/Management Expert.

The team leader must have an academic background and professional expertise that qualify him to manage this assessment. He should be able to evaluate the management capability of a medium sized non-profit organization. The team leader should be familiar with USAID projects and should have expertise in conducting evaluations and assessment of USAID projects, grants and cooperative agreements. The team leaders should be fluent in English and have good proven writing skills. The Team leader should have previous experience in writing project evaluation reports. Previous experience in Egypt is an advantage. Previous experience in evaluating USAID grants of a similar nature is an advantage. Previous experience in antiquity conservation projects is an advantage. Total estimated level-of-effort is 19 person days.

- (2) **Conservation Expert** The conservation expert must have an academic background and professional expertise to allow him to adequately evaluate the technical conservation components and the progress made to date in the EAF activity. Most of these activities fund conservation and restoration of historic stone structures (medieval mosques, Pharaonic tombs, Pharaonic temples, etc.). He/she should have experience in the conservation of antiquity monuments. Specific experience in Egypt is recommended. He/she should have experience in writing project reports. Fluency in English and good, proven, writing skills are required. Total estimated level-of-effort is 14 person days.

- (3) **Financial/Management Expert** The financial management expert must have an adequate academic background and sufficient professional experience to allow him to adequately evaluate the EAF management and financial systems. Previous experience in evaluating financial and management systems of projects operated by NGO and Non-profit organizations. Previous experience with USAID financed projects is recommended. Previous experience in Egypt and in conservation activities is an advantage. Fluency in English and good writing skills are required. Total estimated level-of-effort is eight person days.



**ANNEX B**  
**PERSONS CONTACTED**



## **ANNEX B**

### **PERSONS CONTACTED**

#### **American Research Center in Egypt, Inc (ARCE)**

Jaroslav Dobrowolski, EAP Technical Director  
Mark M Easton, Cairo Director  
Hussein Raouf, Egyptian Antiquities Project (EAP) Finance Manager  
Cynthia L Shartzter, EAP Grant Administrator  
Robert K Vincent, Jr , EAP Project Director

#### **U S Agency for International Development (USAID)**

Seifalla Hassanein, Project Officer  
Jon O'Rourke, Program Officer  
Phillip S Tresch, Contracting Officer

#### **Project Personnel**

Agnieszka Dobrowolska, Contractor and Restorer, Sabil Kuttab Nafisa Al-Bayda in Medieval Cairo  
W Raymond Johnson, Field Director, Epigraphic Survey, Oriental Institute/University of Chicago, Project Director, Luxor Temple, Medinet Habu  
Hiroko Kariya, Restorer, Luxor Temple

#### **Commercial International Investment Bank (CIB)**

Amira Hussein, Birgas Branch  
Hanaa Tawfik, Assistant Manager, Accounting Services, Birgas Branch



**ANNEX C**  
**INTERVIEW PROTOCOL**



## ANNEX C

### INTERVIEW PROTOCOL

- 1 Is there a standard format for reporting progress on subgrant implementation? Does this include the percentage of the budget spent and comparison with objectives as stated in the proposal and grant agreement?
- 2 Is there a clear understanding with USAID about when annual reports are due? Are the reports due according to the U S federal government's fiscal year? Or calendar year? Why are annual reports due in April-May from the past year?
- 3 Is there a system for following up and evaluating the impact of training programs? If yes, please provide documentation for it
- 4 Is there a system for determining training needs and priorities before developing and implementing training programs (i e , is training supply-driven or needs-driven)?
- 5 Is ARCE making a plan for 1998-2005, for the remainder of the grant? Does this include suggestions for USAID's role, budgets, training, culling some projects and developing replacement projects? Include a search for institutionally viable projects which are socio-culturally and politically acceptable?
- 6 Were the recommendations of the 1994 audit (Coopers and Lybrand) for guidelines for drug-free workplaces and civil rights added to the new ARCE manual? What are the manual's contents? How will staff become familiar with the contents?



**ANNEX D**

**SUMMARY AND CURRENT STATUS OF SUBGRANTS**

**ANNEX D**  
**SUMMARY AND CURRENT STATUS OF SUBGRANTS**

Cycle One Grants 1994	Status				Project Status
	Complete	Ongoing	Planned	Delayed	
<b>1 Ibn Barquq</b> Period Islamic/Mamluk Documentation/Conservation			x		Negotiating with subgrantee
<b>2 Bab Zuweila</b> Period Islamic/Fatimid Documentation	x	x			Cycle One activity is complete, Cycle Two activity is scheduled for Spring 1998
<b>3 Saleh Tala'i</b> Period Islamic/Fatimid Documentation			x		Waiting for completion of sewage work
<b>4 Bayt Al-Razzaz</b> Period Islamic/Ottoman Documentation/Conservation			x		Contractor discussions suspended
<b>5 Coptic Area</b> Period Graeco-Roman Documentation/Site Presentation			x		Had to reapply for SCA approval, should begin Spring 1998
<b>6 ARCE Field School</b> Training/Institutional Devm		x			4th training season to begin Fall 1998
<b>7 Dar Al Kutub/Manuscripts</b> Conservation/Publication				x	Trying to resolve issues with officials, did not supply materials as requested
<b>8 Luxor Temple</b> Period Pharaomic Conservation		x			
<b>9 Medieval Zone Database</b> Period Medieval/Islamic Documentation				x	Scope of work for Phase I to be written in 1998
<b>10 Sinai Salvage (North)</b> All periods Salvage	x				
<b>11 Sinai Preservation (South)</b> Period Prehistoric Documentation	x				
<b>12 Valley of the Kings</b> Period Pharaomic Feasibility Study				x	Waiting for SCA approval for 2nd phase, 1st phase has been completed
<b>13 Conservation Lab</b> Procurement/Conservation/Training				x	Waiting for SCA to provide building
<b>14 Museum Management</b> Training/Institutional Devm	x				

20

**SUMMARY AND CURRENT STATUS OF SUBGRANTS (continued)**

Cycle Two Grants 1995	Status				
	Complete	Ongoing	Planned	Delayed	
<b>1 Abydos</b> Period Pharaonic Conservation				x	Subgrant not signed yet, discussions ongoing
<b>2 Conservation Lab for Submerged Artifacts (Alexandria Lab)</b> Adaptive Re-use	x				
<b>3 Cairo Mapping Project</b> Period Medieval Mapping			x		Waiting for materials from SCA
<b>4 Conservation Education</b> Training/Institutional Devm				x	Will begin after Cycle One lab has been completed
<b>5 Coptic Icons</b> Period Coptic Conservation/Training			x		Waiting for team responses to questions about the proposal
<b>6 Cultural Resource Management</b> Training				x	Subgrantee looking for project director
<b>7 Dakhleh Oasis</b> Period Pharaonic Conservation	x				
<b>8 Graeco-Roman Site</b> Period Graeco-Roman Conservation of Mosaics				x	Waiting for SCA approval, will recheck team's availability
<b>9 Hayyim Capusi/Maimonides</b> Period Medieval Documentation/Conservation			x		Changed sites, need to test ground water before work can begin
<b>10 Islamic Inscriptions</b> Period Medieval/Islamic Documentation		x			Waiting for SCA approval of on-site recording
<b>11 KV55 Tomb</b> Period Pharaonic Conservation	x				
<b>12 Medinet Habu</b> Period Pharaonic/Roman Documentation/Conservation		x			
<b>13 Pest Control Netting</b> Period Coptic Conservation				x	RFP to be prepared in Fall 1998, need to identify a new consultant

62

**SUMMARY AND CURRENT STATUS OF SUBGRANTS (continued)**

Cycle Two Grants (continued)	Status				
	Complete	Ongoing	Planned	Delayed	
<b>14 Sabl Kuttab Nafisa Al-Bayda</b> Period Islamic/Ottoman Documentation/Conservation		x			Scheduled to open May 1998
<b>15 Tomb of Parrenefer</b> Period Pharaonic Feasibility Study				x	Discussing proposal with subgrantee
<b>16 UV Filters</b> Period Pharaonic and other			x		Consultant for Phase I to be hired Summer 1998, Phase II implementation scheduled for Fall 1998
<b>17 Bab Zuweila</b> Period Islamic/Fatimid Conservation			x		Scheduled for April 1998, 1st phase completed in Cycle One
<b>Cycle Three Grants 1997</b>					
<b>1 Alexandria Mosaics</b> Period Graeco-Roman Conservation/Presentation			x		Work onsite will start in April 1998
<b>2 Bir Umm Fawakhir</b> Period Coptic Documentation/Site Preservation			x		Need to clarify issues before signing subagreement
<b>3 El-Muzzawakha Tomb</b> Period Graeco-Roman Conservation/Presentation			x		Need to clarify issues before signing subagreement
<b>4 Hierakonpolis</b> Period Pharaonic Conservation		x			
<b>5 Institute of Nautical Archaeology</b> Procurement of Equipment			x		Need to resubmit application to SCA
<b>6 Karnak Statue</b> Period Pharaonic Documentation/Conservation			x		Need to submit application to SCA
<b>7 Ramesses VI</b> Period Pharaonic Conservation			x		Waiting for SCA approval
<b>8 Sabl Mohamed Ali</b> Period Islamic Conservation/Adaptive Re-use			x		Waiting for SCA approval
<b>9 Three Houses in Cairo</b> Period Islamic Conservation		x			

32



**ANNEX E**  
**TECHNICAL REVIEW OF SUBGRANTS**



## ANNEX E

### TECHNICAL REVIEW OF SUBGRANTS

#### INTRODUCTION

Site visits were conducted with ARCE's project director and technical director to the following projects: Small Temple of Amun at Medinet Habu in Luxor and the conservation of the inscription fragments of the Great Temple at Luxor, Zawīya-Sabil Faraq Ibn Barquq, Bab Zuweila, Mosque of Saleh Tala'ī, Bayt Al-Razzaz, Sabil Kuttāb Nafisa Al-Bayda, the renovation project of the Three Houses in Cairo, in Islamic Cairo, and, the two new rooms in the Cairo Museum.

Information on all of the subgrants was obtained from documentation material, reports given to the evaluation team, and interviews with ARCE personnel.

Due to lack of time, the evaluation team was not able to examine some of the reportedly successful and completed projects. The employment of professional conservators on these activities assured that the quality of work was as good on those as on the other completed projects.

#### CYCLE ONE

##### **Zawīya-Sabil Farag Ibn Barquq**

Originally, there was difficulty in identifying contractors interested in this project. Differences regarding the conservation work have been discussed with the only interested expert. ARCE has requested that he execute the project after his return from other work. If he is not available, an ARCE staff member will be assigned to coordinate and commence project work.

##### **Bab Zuweila**

Cycle One involves documentation of the monument only. This activity is complete.

##### **Mosque of Saleh Tala'ī**

Architectural documentation has continued. ARCE is waiting to see the effect of the sewage work. Consolidation work in the pulpit will begin in 1998 while conservation work on the roof is scheduled to start in the year 2000.



### **Bayt Al-Razzaz**

Problems with the preferred contractor caused suspension of discussions. Emergency shoring and cleaning activities were accomplished.

### **Coptic Area of Cairo**

It will take one year for the contractor to complete this project once it begins, startup is planned for April 1998. The project has already been approved by the SCA.

### **ARCE Field School**

Three successful seasons have been completed. A new season is scheduled for the fall of 1998. The third season was delayed by almost 6 months because a list of candidates was not received from SCA when it was originally requested by ARCE (Winter 1997).

Based on the report and evaluation of the participants, basic skills and knowledge and familiarity with English archaeological vocabulary was learned. (Most of the trainees had little or no comprehension of English terminology.) The trainees most appreciated learning about the less impressive but historically important finds. They requested additional time for using the most sophisticated pieces of equipment (survey instruments and cameras). The trainees also were enthusiastic about the techniques of physical excavation.

It is hoped that some of the trainees will be promoted after their participation in this training program. However, it is debatable whether they will be able to use computer skills for archival purposes. In one case, a trained inspector showed good judgment by canceling a project which did not meet international standards.

### **Dar Al Kutub/Manuscripts**

This project is almost three years behind schedule because the Dar Al Kutub officials do not want to commit themselves. They have not been willing to provide ARCE with the list of manuscripts to be produced as facsimiles nor have they allowed ARCE to physically view and examine them as ARCE had requested. The reason for the lack of progress seems to be that Dar Al Kutub officials are reluctant or unable to undertake the planned activities. ARCE plans to try to resolve the issues by working with a textual specialist known to both ARCE and Dar Al Kutub officials, and with the new chairman of the board of directors.



### **Luxor Temple**

This project is well-established in terms of procedure

### **Medieval Zone Database**

After clarification of the issues, a new scope of work for Phase I will be written in 1998

### **Sinai Salvage (South)**

This activity is complete

### **Sinai Preservation (North)**

This activity has been completed, field work was finished as scheduled

### **Valley of the Kings**

Although the first phase of this project has been completed, the second phase has been postponed because of a security clearance issue. Administrative issues need to be resolved by ARCE and the new SCA chairman

### **Conservation Lab**

It was intended that the SCA contribute to this project by providing the building. USAID through ARCE, has agreed to purchase the equipment for the laboratory. However, SCA has not made a decision about which building will be provided for the lab. USAID is reviewing the addition of an enhanced training component to the lab as part of its separately funded Development Training (DTII) program

### **Museum Management Training**

Training was conducted in the United States for 16 SCA employees. The trainees learned about museum security systems (some employing inexpensive and practical devices, which they hope to apply in their museums) and making museums friendly to children (low display cases, special days for children, gifts attractive to children), which should contribute to raising the overall interest of and education in antiquities, which is of ongoing benefit for the future Egyptian society. Trainees also received information about fundraising and the legality of selling antiquities, although it is debatable whether this experience can be used within the Egyptian economy



The renovation of an exhibit for royal jewelry in the Egyptian Museum is complete, it involved several of the participants from the training program

## **CYCLE TWO**

### **Abydos**

This project has not begun and a subgrant agreement has not been signed. Discussions have been held based on the initial proposal. The project has been delayed due to the new job and busy work schedule of the director and site director. The director will work through New York University.

### **Conservation Laboratory for Submerged Artifacts (Alexandria Laboratory)**

This activity has been completed.

### **Cairo Mapping Projects**

There was an underestimation of the time required by the contractor. There were also delays due to other commitments of the project director and unavailability of some of the archival material. The contractor was being denied access to the archives by the SCA, eventually, access was approved.

### **Conservation Education**

This project is tied to the Conservation Lab in Cycle One, which is delayed. Training will be able to begin after Cycle One activity is complete.

### **Conservation of Coptic Icons**

This project is partially funded by the Dutch. Many influential people have been involved, including the church itself. ARCE is awaiting clarification of major questions from the team of experts before the project can begin.

### **Cultural Resource Management**

The subgrantee has submitted a preliminary budget but cannot find a project manager. The subgrantee will continue to look for someone for a few months but will withdraw if not successful. ARCE would then consider managing the project with another group who has experience in similar training.



### **Dakhleh Oasis**

This activity has been completed

### **Graeco-Roman Site**

ARCE is waiting for approval from SCA. They will discuss the project with the new chairman and find out if the team is still available.

### **Hayyim Capusi/Maimonides Synagogue**

After a report on existing conditions and a scope of work for conservation on Hayyim Capusi, the decision was made by ARCE not to proceed. The project was suspended after the documentation phase was completed. However, ARCE is not discouraged and has decided to change to the Maimonides Synagogue, this change was approved by USAID. This project has not been initiated yet, however, ground water investigation and photodocumentation are planned.

### **Islamic Inscriptions**

The initial bibliographic search for previously published inscriptions was completed. Some onsite photography has been conducted and the negatives have been scanned into the data base. ARCE continues to work on obtaining SCA approvals for onsite recording.

### **KV55 Tomb in the Valley of the Kings**

This activity has been completed

### **Small Temple of Amun at Medinet Habu**

The documentation of the monument is excellent and is restricted in areas that require consolidation according to the subgrant, namely the roof and foundations. The materials used respect the Venice Charter standards, that is, they secure reversibility of the restoration work. Some consolidation activities tested and secured the older interventions (H beams inserted into the ceiling beams). However, no proposal exists for replacing a few small iron clamps—staples of the previous restorations. The latter occur in a few blocks, they are already rusted, however, with no signs of expansion. Despite the changes of the initial plan, the foundation blocks were not removed and the whole project was completed within the planned time schedule. Further delays in the delivery of stone by the quarryman did not affect the project. The latter is managed by Chicago House, an institution with experience on this particular site.



### **Pest Control Netting in Coptic Cairo**

The consultant that was to provide assistance to ARCE with the specifications was not available, a new consultant needs to be identified

### **Sabil Kuttab Nafisa Al-Bayda**

Conservation work proceeded well and is expected to be completed by the spring of 1998

### **Tomb of Parrenefer**

ARCE is waiting for responses to questions on the revised proposal submitted by the subgrantee

### **UV Filters**

A consultant for Phase I is to be hired in the summer of 1998 Phase II is scheduled for the fall of 1998

### **Bab Zuweila**

Physical conservation work will begin in April 1998, after discussions are concluded about the work plan and a subagreement is signed

## **CYCLE THREE**

### **Alexandria Mosaics**

Work will begin onsite in April 1998

### **Bir Umm Fawakhir**

The expert works through the University of Chicago Issues need to be clarified and a subagreement signed In addition, the time period for the data to be processed through the university's administrative system is lengthy

### **El-Muzzawakha Tomb**

This activity is the second phase of the Dakhleh subgrant The proposal to build the replica of the tomb for the visitors' center is being studied



### **Hierakonpolis**

A new proposal was prepared because the original budget was too high. The subagreement was signed in February 1998.

### **Institute of Nautical Archaeology**

The subgrant application needs to be resubmitted for SCA approval.

### **Karnak Statue**

The proposal needs to be submitted to SCA.

### **Ramesses VI**

ARCE is waiting for SCA approval.

### **Sabil Mohamed Ali Pasha**

ARCE is waiting for SCA approval.

### **Three Houses in Cairo**

The subagreement was signed in February 1998 and the project has begun.

### **SUMMARY**

ARCE appears quite strict and efficient in controlling the subgrantees and requires adherence to the scope of work and the specifications. The main causes of the delays are as follows:

- Three projects from Cycles One and Two are still waiting for approvals/ security clearances by the SCA. The year 1997 seems to have been both critical and very difficult for ARCE with the change of personnel in the SCA.
- ARCE's administration is not willing to fund two projects before coordination and internationally accepted standards are confirmed and secured by subgrantees. This appears as a delay.
- ARCE suspended the Sinai Salvage (North) project after its first phase was completed. In the Tomb of Parrenefer project, the conservator changed the



scope of work and the revised scope is no longer consistent with the initial requirements. The ARCE project director thinks that the subgrant cannot go forward and consequently that it should be canceled. (It is currently under consideration by the ARCE committee.)

- After the report on existing conditions and scope of work, it was decided that the conservation of Hayyim Capusı Synagogue was not going to be feasible. However, because the Hayyim Capusı monument represented the only Jewish monument in the list of 40 subgrants, ARCE decided to change to the Maimonides Synagogue.
- In addition to the four training programs implemented, on-the-job training is taking place in the field at various projects. Also, individuals trained in one project are being used in other projects, thus accelerating the progress of future work.

Some subgrants are held by U.S. universities which have taken from 6 months to a year for information, data, and requests to go through their administrative systems. The long administrative process has been part of the cause of the serious delays in two projects in Cycle Two.



**ANNEX F**  
**ARCE SUBGRANT AWARD PROCESS**

## ANNEX F

### ARCE SUBGRANT AWARD PROCESS

#### Egyptian Antiquities Project Under USAID Grant No 263-0000-G-00-3089-00

Closing Date	Subgrant	Position/Implementation	# Proposals Received	# RFPs Distributed	# Selected
October 12 1993	CPA Review	Review ARCE/Produce PPM Indirect Cost Proposal	4	4	1
October 31 1994	Dar Al Kutub	Manuscript Consultant	2	5	0
November 7, 1994	ARCE Field School	Field School Consultant	1	2	1
December 12 1994	Photo Documentation	Pre bid Site Visit	3	7	1
December 15 1994	ARCE Field School	Field School Director	0	7	1
December 28 1994	Bab Zuweila	Photo Documentation	2	3	1
December 28 1994	Saleh Tala'i	Photo Documentation	2	3	1
January 15 1995	Valley of Kings	Phase I Proposals	5	14	1
January 16 1995	Ibn Barquq	Conservator(s)	2	12	2
January 29 1995	Various	Surface Water Consultant	37	0	0
January 29 1995	Museum Management	Proposals	3	5	1
February 5 1995	Historic Cairo/Roman Cairo	Ground Water Consultant	24	40	2
February 15 1995	Conservation Projects	Cycle Two Proposals	29	65	18
May 31 1995	Ground Water Proposals	Ground Water Consultant	5	40	1
July 27 1995	North Sinai Salvage	Proposals	6	39	1
September 30 1996	Old Cairo RFP	Proposals	9	112	1
February 19 1997	Conservation Projects	Cycle Three Proposals	29	106	9
April 3 1997	Old Cairo Clarification	Proposals	4	4	1
April 15 1997	Ibn Barquq	Pre-qualification Documents	1	4	0
June 23 1997	Conservation of Coptic Icons	Proposals	2	10	1
December 3 1997	Bayt Al-Razzaz	Bunker demolition in the Western Courtyard	2	2	1
July 3 1998	Bayt Al Razzaz	Emergency Repairs in the North Wing of the Eastern Courtyard			

175



**ANNEX G**

**EGYPTIAN ANTIQUITIES PROJECT (EAP)  
FINANCIAL AND BUDGETARY ANALYSIS**



## ANNEX G

### EGYPTIAN ANTIQUITIES PROJECT (EAP) FINANCIAL AND BUDGETARY ANALYSIS

#### EGYPTIAN ANTIQUITIES FUND (EAF)

A trust fund agreement between the U S Agency for International Development (USAID), the American Research Center in Egypt, Inc (ARCE), and the Commercial International Investment Bank (CIB) was set up to disburse the funds to the grantee. The effective period for the trust fund agreement is planned to remain in effect until the year 2005. The idea of the trust fund is to finance program and operations activities from the interest generated from the antiquities trust fund.

#### ADEQUACY AND EFFICIENCY OF ARCE'S ADMINISTRATIVE MANAGEMENT SYSTEMS

Meetings were held with ARCE's EAP grant administrator, who gave an explanation of the administrative and some financial management aspects of the EAP. The financial statements for the year ended June 30, 1997, and the report of independent accountants (Coopers and Lybrand) were provided. This report covered all of ARCE activities, with EAP a part of it.

It is worth noting that the year 1997 has witnessed a major surge in assets with cash and equivalents nearly doubling from U S \$10.9 million in 1996 to U S \$19 million in 1997. In addition, 1997 witnessed grant receivables from USAID of U S \$23.7 million, bringing a growth in the total assets over 3 times in one year from U S \$12.4 million in 1996 to U S \$43.8 million in 1997.

The notes to the financial statements of the auditors' report show that ARCE reports its net assets in three classes: unrestricted, temporarily restricted, and permanently restricted. Unrestricted net assets are either not restricted by donors, or the donor-imposed restrictions have expired. Temporarily restricted net assets contain donor-imposed restrictions that require ARCE to use or expend the assets as specified. Permanently restricted net assets contain donor-imposed stipulations that require the resources to be maintained permanently, but permit ARCE to use or expend part or all of the income and gains derived from the resources (see the report of the audit, p. 5).

A small, insignificant portion of ARCE's net assets is in the form of unrestricted net assets (U S \$997,000 out of \$28 million), suggesting that there are donor-imposed stipulations that require the permanent maintenance of resources. On the one hand, this could mean that if



ARCE were left to manage USAID monies, those would remain restricted funds. On the other hand, ARCE is permitted to expend part or all of the income and gains derived from the resources.

While assets were on the rise, both operating expenses and program expenses were significantly lower than the budget. Operational expenses are those expenses related to administering the EAP while program expenses relate to the subgrant activities in restoration, documentation, and training activities.

The 4-year grant total shows operating expenses of LE 6.5 million and program expenses of LE 7.5 million, averaging 1.6 million and 1.9 million annually, respectively. There have been some political obstacles related to the Egyptian Supreme Council for Antiquities's (SCA) approval of projects that particularly reduced the activity in 1997.

#### **GRANT MANAGEMENT SYSTEM**

Under the grant agreement, ARCE designs and administers a subgrant program to conserve Egyptian antiquities. Plans for subgrant activities are organized into three funding cycles. The subgrants in these funding cycles are either activities that have been proposed by ARCE in its original proposal or received as a response to an open request for subgrant proposals from Egyptian and U.S. academic/archaeological institutions. The proposed plans are reviewed and approved by ARCE, the SCA, and the Interagency Committee. Once the funding cycle plan is approved, USAID transfers the total estimated amount of the funding cycle to a trust fund established at the CIB. ARCE then proceeds to procure and award subgrants for the proposed activities. Some of the planned activities are implemented directly by ARCE, while other activities are implemented by other institutions or individuals.

The approval process sequence leading to project subgrants and the procedures have been reviewed. The EAP grant administrator discussed the procedures and provided material previously submitted to the Coopers and Lybrand team describing this process. The materials include a 21-point explanation of the steps involved in the process. The subgrant solicitation system is competitive and appears to be fair and likely to yield important activities and competent subgrantees.

It has been noted by the Cairo ARCE director that there is significant disappointment on behalf of the rejected offerors. The preparation of offers was viewed as being a detailed and costly process which makes the rejection a disappointment. This in turn may create negative publicity for the project and EAP activities. It may be worthwhile to consider conducting an initial level screening of offerors to have the less competent offerors receive notification of rejection before going into fully detailed, costly proposals.



## ADEQUACY AND EFFICIENCY OF THE ARCE GRANT FINANCIAL MANAGEMENT SYSTEMS

Meetings were held with the ARCE EAP finance manager, who was knowledgeable and competent in various financial practices and aware of details pertaining to the EAP financial activities. The accounting system was summarized, with the chart of accounts viewed. The system used is fully computerized, and has the capability of consolidating accounting entries and producing monthly financial reports both in standard and custom format.

The reporting system is capable of producing reports for actual operating results for the month, quarter, and year to date. This, in turn, could be compared to budget figures or to show variance. In addition, full grant year tracking for multiple years is also feasible. The statement of operations shows sufficient detail of period revenues along with a breakdown of operating expenses by line item as well as program expenses by project. These financial reports also include a monthly balance sheet which shows the monthly balance of the CIB trust account per the EAP account, the accrued interest income receivable, as well as the undisbursed grant funds committed.

The finance manager reconciles the bank statements for the month as a control procedure over the bank account and produces a reconciled bank statement report. The accrued interest income receivable item in the assets gives the EAP management a clear tracking picture of funds and potential interest earned. Accruals are made in the year end months (June is the end of the fiscal year, the grant year runs from November through October).

To monitor subgrants, ARCE produces a monthly report that shows the expenditures on various subgrant programs (Statement of Operations, Report No. 88). That report lists the projects by cycle, has the actual costs for the month, the year to date actual costs compared to the budget, and the variance. Report No. 89 shows a similar analysis by quarter. Report No. 200 is a summary that shows the spending on subgrants for the total grant year over the 4-year period.

The undisbursed grant committed line in the assets is important since it associates the actual program expenses with the committed funds in the following way:

$$\text{Actual} + \text{Undisbursed} = \text{Total Program Expenses (actual and committed)}$$

In some cases, a program that has committed expenses per the contract may have delays which will lead to some undisbursed committed funds. The line item of undisbursed grant commitments is an important indicator of delays in payment to the subgrantee due to program delays.



## **ADEQUACY AND EFFICIENCY OF THE TRUST ACCOUNT FINANCIAL MANAGEMENT AND ADMINISTRATION**

ARCE/EAP management has the major role in the financial management of the fund. EAP instructs CIB to open time deposits. If currently CIB is only acting upon EAP's instructions, there is little decision-making by CIB on the best use of funds. There are two main bank accounts at the CIB, Birgas Branch: the operating expense imprest account and the antiquities trust fund account.

### **Operating Expense Imprest Account**

When the imprest account was set up, it was USAID's intention that one twelfth of the total operating budget for the initial grant period be replenished at the beginning of each month to maintain the imprest account balance of LE 725,666 (Trust Agreement, Article (3) 3 2). The main items appearing are disbursed checks for operating expenses such as staff salaries.

### **Antiquities Trust Fund Account**

This account contains the pool of funds, of which disbursement to subgrants takes place, making up the program expenses. Each subgrantee has an account at CIB. In addition, time deposits and the interest generated flow to that same account. The EAP regularly monitors the account. The reconciliation of bank statements is a check on accuracy.

The EAP management succeeded in negotiating with the CIB to obtain the USAID interest rate at 10.75 percent, USAID being a major client. It compares with some rates at 9.5 percent previously earned by the EAP. In addition to the preferred negotiated interest on time deposits, negotiations to earn interest on the fund account itself in addition to that earned from the certificates of deposit were successful.

The ARCE/EAP financial management structure is a fully fledged structure that is capable of handling the account with the role of CIB being mostly operational, as a bank handling the account activity, with the fund management and decision making in EAP's hands.

## **BUDGETS**

Each subgrant has a budget which must be approved by USAID. This includes an annual operating budget over a 5-year period (November 1, 1993, through October 31, 1998). This operating budget is detailed to the line item level. Each program budget is also available by project.



**ANNEX H**  
**SUMMARY OF ARCE'S TRAINING PLAN**  
**(from ARCE)**

I TRAINING

Cycle One Plan Subgrant Projects	Program 1							
Activity	Subgrant Name	Contractor	Venue	Dates / From	Dates / To	Participants/M	Participants/F	Employing Organization
A 1	ARCE Field School (Institutional development)	ARCE	US/SMU US/WSU	8 Jun 94 13 Jun-94	29 Jul 94 22 Jul 94	3 1	1	SCA Employees SCA Employees
A 2	ARCE Field School (Institutional development and on the job training for SCA Supervisors )	ARCE	Egypt	16-Jun-95 16-Jun-95	26-Jul 95 20-Jul 95	3 16		SCA Supervisors from US trng SCA Employees
A 3	ARCE Field School	ARCE	Egypt	2-Mar 96 2 Mar 96	4-Apr 96 4-Apr 96	3 18		SCA Supervisors from US trng SCA Employees
A 4	ARCE Field School	ARCE	Egypt	4-Oct 97 2-Mar 96	6-Nov 97 4-Apr 96	3 13		SCA Supervisors from US trng 3 SCA Employees
B 1	Museum Mgmt Program Training in the US (Training and Education)	Friends of the Fulbright Commission	US	14-Jul 95	30 Aug 95	4		4 SCA Employees
B 2	Museum Mgmt Program Training in the US	Friends of the Fulbright Commission	US	21 Jun 96	3-Aug-96	5		3 SCA Employees
B 3	Supplement to MMP Technology Transfer in Egypt	Friends of the Fulbright Commission	Egypt	18-Jan-96	4-Feb-96	5		3 SCA Employees
<b>TRAINING TOTALS</b>						<b>74</b>	<b>14</b>	<b>88</b> Completed

I TRAINING (Projected)

Cycle Two Plan Subgrant Projects	Program 1							
Activity	Subgrant Name	Contractor	Venue	Dates / From	Dates / To	Participants/M	Participants/F	Employing Organization
A 5	ARCE Field School	ARCE	Egypt	1 Oct 98	1 Dec 98	3		2 SCA Supervisors from US train
B 1	Conservatorial Education in Egypt (in conjunction with Conservation Lab to be provided by SCA in Luxor area) (Training and Education)	Competitive selection	Egypt	2 years after SCA selects lab site		5		5 SCA Employees
B 2	Conservatorial Education in Egypt (in conjunction with Conservation Lab to be provided by SCA in Luxor area)	Selected above				5		5 SCA Employees
C 1	Cultural Resource Mgmt Curriculum Development Phase	AUC	Egypt	1 Oct 98	1 Jun-99			SCA Employees Pending identification of Project Manager to implement (due Feb 97 still pending) new deadline approx March/April 1998 per AUC Jan 25 1997 request for extension
C 2	Cultural Resource Mgmt Pilot course (Training and Education)	AUC	Egypt	1 Oct 98	1 Dec 98	approx 75 student Total		SCA Employees
<b>PROJECTED TRAINING TOTALS</b>								<b>100</b>

CLS/TRNG XLS March 15 1998

II On the Job Training

Cycle One Plan Subgrant Projects	Program 1							
Activity	Subgrant Name	Contractor	Venue	Dates / From	Dates / To	Participants/M	Participants/F	Employing Organization
A 1	North Sinai Phase I (Documentation & Monitoring)	New South Associates	Egypt	1-Mar 96	30-Jun-97			SCA Employees Completed
B 1	Preservation in Sinai (South) (Documentation & Monitoring)	Southern Methodist Univ	Egypt	11 Dec 95	30-Jul-98			
<b>Cycle One Plan Subgrant Projects</b>		<b>Program 2</b>						
C 1	Ibn Barquq Architect al Documentation	Lamel 1	Egypt	28-Aug 94	30-Nov 94			Completed
	Specs for A hctectural Conservation	Griewold	Egypt	18-Jan-95	15-Dec 95			Completed
	Specs for Conservatio (organica)	Hodkineo	Egypt	20-Mar 95	30-Nov 95			Completed
D 1	Documentation of Bab Zuweila Architectural Documentation	Lamel 4	Egypt	3-Mar 96	31-Mar 97			Completed
E 1	Saleh Tale i Architectu al Documentation	Lamel 5	Egypt	3-Mar 96	4-Jun-98			
F 1	P ese vation/Resto ato of Bayt Al Rezz z	Competitive selection	Egypt	1 Jul 98	30-Jun-01			
G 1	Valley of the Kings (VOK)	Caif Acad of Science	Egypt	1-Mar 96	30-Apr 97			
<b>Cycle Two Plan Subgrant Projects</b>		<b>Prog am 2</b>						
H 1	Restoration f Sabll Naflee Bayda	Dobrowoloka	Egypt	9-Oct 95	30-Sep-98			
I 1	Conservation of Tomb 55 in the Valley of the Kings	Lyle Brock	Egypt	19-Nov 95	31-Jan-97			Completed
J 1	Documentation of the Inscription in Historic Zone in Cairo	AUC	Egypt	1 Jul 96	30-Sep-02			
<b>Cycle Three Plan Subgrant Projects</b>		<b>Program 2</b>						
K 1	Conservation of the Decorated Dynastic Tombs at Hierakonpolis	Milwaukee Public Museum	Egypt	15-Feb-97	28-Sep-00			
L 1	Three Houses in Cairo	Saleh Zaki Said	Egypt	15-Feb-98	30-Jun-99			

CLS/TRNG XLS March 15 1998

52

## ARCE/EGYPTIAN ANTIQUITIES PROJECT

## II On the Job Training (Projected)

Cycle One Plan Subgrant Projects		Program 2			
A 1	Conservation of Ibn Barquq Architectural Conservation	Competitive selection	Egypt	1 Jul 88	31 Dec 00
B 1	Presentation of Coptic Cairo	Malineo Architects	Egypt	1 Apr 88	30-Sep-98
Cycle Two Plan Subgrant Projects		Program 2			
C 1	Conservation of Bab Zuweila Architectural Conservation	Newy Hampikian	Egypt	1 Apr 88	30-Sep-02
D 1	Saleh Tala'i (Proceeding to do some Conservation Interventions) Conservation of the Minbar	Dobrowolska	Egypt	1 Apr 88	31 Dec 88
E 1	Ultra Violet Filter Installation VOX/Luxor Graeco-Roman Islamic Coptic Museums		Egypt	1 Jun-88	31-May 88
Cycle Three Plan Subgrant Projects		Program 2			
F 1	Conservation of Sabill Mohamed Ali Pasha	Dobrowolska	Egypt	1 Sep-88	31 Mar 01

CLS/TRNG XLS March 15 1998

BEST AVAILABLE COPY

## III Institutional Development

Cycle Two Plan Subgrant Projects		Program 1						
Activity	Subgrant Name	Contractor	Venue	Dates / From	Dates / To	Participants/M	Participants/F	Employing Organization
A 1	Alex Maritime Mus Renovate	Inst of Nautical Archaeology Haidane	Egypt	15-Oct 95	30-Apr 96			Completed

## III Institutional Development (Projected)

Cycle Two Plan Subgrant Projects		Program 1						
Activity	Subgrant Name	Contractor	Venue	Dates / From	Dates / To	Participants/M	Participants/F	Employing Organization
A 1	Conservation of Coptic Icons	Institute of Coptic Studies Egyptian/Dutch Consortium	Egypt	1 Apr 98	30 Jun-99			
Cycle Two Plan Subgrant Projects		Program 1						
B 1	Facsimile Publication of Arabic Manuscripts in Dar El Kutub		Egypt	Pending reply from Dar El Kutub Pilot Project 12	18 months			Dar El Kutub
Cycle Three Plan Subgrant Projects		Program 1						
C 1	Equipping Laboratory (Training on lab equipment)	Inst of Nautical Archaeology Haidane	Egypt	Pending from the SCA Implementation 3	5 months			

BEST AVAILABLE COPY