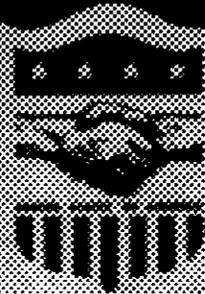


AGENCY FOR
INTERNATIONAL
DEVELOPMENT



ANNUAL BUDGET SUBMISSION

FY 1978

EGYPT

DEPARTMENT
OF
STATE

AUGUST 1978



PROJECT IDENTIFICATION DOCUMENT

TA Grant
\$ 1.6 million
5 years

RICE RESEARCH AND TRAINING

Rice production has risen dramatically in Egypt over the last several years and now accounts for 10 percent of land use. Rice has become an important source of foreign exchange earnings. Although yield levels are relatively good in Egypt, substantial gains can still be made both in terms of higher yields per unit of area and through earlier maturing varieties, allowing additional crops to be grown. Additional gains can also be made through improved resistance to major insects and diseases, improvements in grain quality and introduction of varieties tolerant to soil salinity, soil alkalinity and to sub-optimum temperatures. Other countries in the region would also derive substantial benefits from a regional program.

Further work is also required in the development of appropriate production technology and in the development of machinery suited to small farm holdings. Scientists, technicians and extension personnel must be trained in order to implement these programs.

A cooperative program linking the International Rice Research Institute (IRRI) with operations at the Research Station would establish an institution to conduct research trials (a) to screen varieties and lines for tolerance to soil salinity and alkalinity and for disease resistance, and (b) to determine fertilizer efficiency and recommendations for small farm machinery development. A network of adaptive research trials would also be established in the rice growing areas of Middle East countries to screen for adaptation of new lines and varieties from international nurseries.

Training will be conducted both at IRRI in the Philippines and in Egypt. Training at IRRI will include such regular organized programs as the rice production course and the machinery development workshop. In addition to on-the-job training in Egypt, a rice production training course would be established in Egypt with instruction in the Arabic language for technicians from Middle East countries.

A five-year program would be established with three IRRI scientists based at the existing research station, Sakha, which does some rice research. The IRRI scientists would assist national scientists with preparation of an overall plan for research and training and would actively participate in the initial research efforts and the establishment of a network of field tests. As these programs get underway, the IRRI scientists would concentrate on training national scientists, establishing a production training course at Sakha and coordinating short-term consultants. Finally, as the national scientists assume full operational responsibilities, IRRI scientists will advise on the management of the research and training program. After the termination of this project, IRRI would provide expertise on a consultant basis without assignment of full-time personnel.

Funds would also be provided for supplies and equipment for research and training and for costs for trainers both at IRRI and in Egypt. Total dollar budget is estimated at \$1,600,000 of which \$300,000 would be for the first year.

Sector Assessments and Special Studies

The following studies are planned for FY 1978:

1) Technical education strategy and policy - as noted in the Assistance Strategy Statement, an inter-ministry committee chaired by former Cairo University President Dr. Hassan Ismail has been appointed to study the government strategy and policy for technical education. The committee has completed its preliminary report and has requested assistance in conducting the second phase of its investigation. We expect this assistance would take the form of the short-term advisory services of a technical education expert who (if the Committee requested it), would prepare the scope of work for an in-depth study of technical education.

2) Nutrition Survey - As noted in the Assistance Strategy, we expect to conduct a nutrition survey which would:

a) serve the need of the Rural Health project,
and

b) serve as a basis for VolAg activities with a nutrition component.

3) Aquaculture Survey - We have received expressions of interest from the Ministry of Agriculture in a U.S. survey of the Egyptian potential to increase fish production through aquaculture. We expect to undertake, through a qualified research institute, a complete study of this potentially important sub-sector and would hope that from the study we would be able to make an assessment of where probable project activity would be most productive.

EGYPT

Summary Table IFunding Levels(\$ millions)

	<u>FY 76</u>	<u>IQ</u>	<u>FY 77</u>	<u>FY 78</u>
Supporting Assistance				
Grants	205.0	23.0	202.0	136.0
Loans	<u>490.0</u>	<u>77.0</u>	<u>548.0</u>	<u>614.0</u>
TOTAL	695.0	100.0	750.0	750.0
 PL 480				
Title I	202.9	-	154.6	154.6
Title II	6.7	2.7	10.9	14.7

Support to Private Voluntary Organizations
and Developing Country Cooperatives

		<u>Obligations (\$000)</u>		<u>Functional</u>
		<u>FY 1977</u>	<u>FY 1978</u>	<u>Account</u>
Ongoing		-	-	NA
New				
A.	OPGs	-	-	NA
B.	Non-OPGs			
0021	Development of Rural Villages	1,000	1,500	SA
0041	Ag. Development Systems	-	2,500	SA
	Subtotal	1,000	3,500	
	(TA)	(-)	(-)	
<u>Loan</u>				
0031	Ag. Development Bank	<u>9,000</u>	-	SA
	Subtotal	9,000		
	(TA)	(-)	(-)	

NOTE: No assistance will be provided for the development of cooperatives qua cooperatives. Nonetheless, the above projects are expected to result in strong benefits to agricultural producer cooperatives as follows:

- 0021: Village cooperative income producing projects are expected to receive increased GOE financial support.
- 0041: Agriculture producer cooperatives will receive increased services from GOE.
- 0031: Ag. Development Bank is being formed, based on and expanding from the GOE Cooperatives Fund.

AGENCY FOR INTERNATIONAL DEVELOPMENT		1. TRANSACTION CODE		2. ABS/CP	
ABS/CP SUMMARY		A		DOCUMENT CODE 6	
5. COUNTRY/ENTITY		4. DOCUMENT REVISION NO.	5. OPERATIONAL YEAR FY	6. BUREAU/OFFICE	
ARAB REPUBLIC OF EGYPT			77	A. SYMBOL NE	B. CODE [3]
7. GEOGRAPHIC CODE		[263]			

8. TYPE DATA		9. TYPE ASSISTANCE	
1 = ABS 2 = ABS REVISION 3 = CP 4 = CP NOTIFICATION		1 = PROJECT 2 = PROGRAM	

10. PROJECT SEQUENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)	12. QTR. FOR OBL.	13. EST. FY AUTH. OBL. FINAL	14. APPROPRIATION	15. PRIMARY PURPOSE CODE	16. LOAN INSTRUMENT	17. BUDGETS (IN \$000)				78 LO Rank
							76 AY	77 TQ	78 OY	78 BY	
0005	Port Said Mine Sweep		76	SA	930	G	2,700				2,700
0008	Gas Turbine Generators		76	SA	740	L	50,000				50,000
0009	Ismailia Power Plant		76	SA	740	G	99,000				99,000
0010	Misr Spin. & Weaving		76	SA	701	L	96,000				96,000
0011	Tech. Trans. & MPD II		76	SA	690	G	2,000				2,000
0012	Suez Cement Plant		76	SA	930	G	90,000				90,000
0013	Tech. & Feas. Studies		76	SA	791	G	8,000				16,000
0014	Cargo Equip. Alex.		76	SA	701	L	31,000				31,000
0015	Rural Health	4/3	80	SA	533	GC	1,800		2,100	1,600	7,800
0017 *	Water Use & Mgmt.	3/3	80	SA	123	GC	1,500		1,000	1,000	5,900
0018	Dev. Industrial Bank		76	SA	701	L	32,000				32,000
0019	PVC Pipe Drainage		76	SA	123	L	31,000				31,000
0007.1	Rd. Bldg. Equip. (Asphalt)		TQ	SA	930	GN		3,000			3,000
0022	Suez Cement Lime Plant		TQ	SA	930	GN		15,000			15,000
0023	Nat'l Energy Con. Center		TQ	SA	749	L		18,000			18,000
0024	Port Said Plng/Engr.		TQ	SA	701	GN		9,000			9,000
0016	Scientific Res. Mgmt.	2/2	79	SA	753	GN			2,000	1,500	5,000
0021 *	Dev. Rural Villages	3/3	80	SA	284	GN			1,000	1,500	4,700
0025 *	Tech. & Feas. Stud. II	2	77	SA	791	GN			8,400		8,400
0026 *	Tech. Trans. & MPD III	2	77	SA	690	GN			2,500		2,500
0020	Soc. Affairs Trng. Ctr	2/1	81	SA	663	GN			1,000	2,000	5,000
0029 *	Contraceptive Prod.	2/2	81	SA	489	GN			3,000	3,000	12,000
0030	Suez Power Plant	1	77	SA	740	GN			100,000		100,000
0031 *	Ag. Dev. Bank	4	77	SA	143	L			9,000		9,000
0032 *	Textile Plant Rehab.	3	77	SA	701	L			15,000		15,000
0033	Urban Elec. Distrib. Equipment	3	77	SA	723	L			80,000		80,000
0034 *	Polyester Fiber	2	77	SA	701	L			40,000		40,000
0035 *	Canal Dredg. Equip.	2	77	SA	123	L			40,000		40,000
0036	Synth. Mtrls. DMT	3	77	SA	701	L			40,000		40,000
0037 *	Grain Storage II	4	77	SA	159	L			60,000		60,000
0038 *	Water/Sewage	4	77	SA	729	L			60,000		60,000
0039	Synth. Mtrls. Rayon	3	77	SA	701	L			15,000		15,000
0040 *	Irrigation Pumps	2	77	SA	123	L			20,000		20,000
0041	Ag. Dev. Systems	1	81	SA	180	GN				2,500	7,250
0042	Tech. & Feas. Stud. III	2	78	SA	791	GN				7,900	7,800
0043	Tech. Trans. & MPD IV	2	78	SA	690	GN				2,000	2,000

18. DATE DOCUMENT RECEIVED			
MM	DD	YY	
IN AID/W			

AGENCY FOR INTERNATIONAL DEVELOPMENT ABS/CP SUMMARY		1. TRANSACTION CODE A A = ADD C = CHANGE D = DELETE		2. ABS/CP DOCUMENT CODE 6	
3. COUNTRY/ENTITY ARAB REPUBLIC OF EGYPT		4. DOCUMENT REVISION NO. <input type="checkbox"/>	5. OPERATIONAL YEAR FY 77	6. BUREAU/OFFICE A. SYMBOL NE B. CODE [3]	7. GEOGRAPHIC CODE [263]
8. TYPE DATA 1 1 = ABS 2 = ABS REVISION 3 = CP 4 = CP NOTIFICATION			9. TYPE ASSISTANCE 1 1 = PROJECT 2 = PROGRAM		

10. PROJECT SEQUENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)	12. QTR. FOR OBLIG.	13. EST. FY AUTH. OBLIG. FINAL	14. APPROPRIATION	15. PRIMARY PURPOSE CODE	16. OAN/INDICATOR	17. BUDGETS (IN \$000)					
							AY	TQ	OY	BY	LSP	
0045	Dev. Industrial Bank	1	78	SA	701	L				43,000	43,000	4
0046	Rd. Bldg. Equip. Canal Area	1	78	SA	930	GN				15,000	15,000	7
0047	New Port Said	2	78	SA	701	GN				35,000	35,000	8
0048	Water/Sewage II	2	78	SA	729	GN				60,000	60,000	3
0049	Grain Storage III	1	78	SA	159	L				40,000	40,000	2
0050	Textile Plnt. Rehab II	1	78	SA	701	L				19,000	19,000	9
0051	Phosphate Fertilizer	2	78	SA	213	L				70,000	70,000	5
0052	Maadi Cement	4	78	SA	930	L				100,000	100,000	6
0053	Flat Glass Plant	3	78	SA	701	L				15,000	15,000	11
0054	Telecommunications	2	78	SA	701	L				30,000	30,000	7
0055	Railway Wagon Mfg.	3	78	SA	701	L				50,000	50,000	10
FOLLOWING ARE SHELF PROJECTS FOR FY 1978:												
0056	Citrus Prod.-New Lands			SA	143	L				30,000	30,000	4
0057	Nitrogen Fertilizer			SA	213	L				150,000	150,000	1
0058	Bagasse Paper Plant			SA	701	L				45,000	45,000	2
0059	NW Coast Infrastruc.			SA	723	L				30,000	30,000	3

18. DATE DOCUMENT RECEIVED IN AID/V

MM	DD	YY

AGENCY FOR INTERNATIONAL DEVELOPMENT				1. TRANSACTION CODE A A = ADD C = CHANGE D = DELETE			2. ABS/CP DOCUMENT CODE 6				
ABS/CP SUMMARY											
3. COUNTRY/ENTITY ARAB REPUBLIC OF EGYPT				4. DOCUMENT REVISION NO. <input type="checkbox"/>		5. OPERATIONAL YEAR FY 77		6. BUREAU/OFFICE A. SYMBOL NE B. CODE [3]		7. GEOGRAPHIC CODE [263]	
8. TYPE DATA 1 1 = ABS 2 = ABS REVISION 3 = CP 4 = CP NOTIFICATION						9. TYPE ASSISTANCE 2 1 = PROJECT 2 = PROGRAM					
10. PROJECT SEQUENCE NO.	11. PROJECT TITLE (40 CHARACTERS MAXIMUM)	12. QTR. FOR OBLG.	13. EST. FY AUTH. OBLG. FINAL	14. APPROPRIATION	15. PRIMARY PURPOSE CODE	16. LOAN/GRANT INDICATOR	17. BUDGETS (IN \$000)				
							AY	TQ	OY	BY	LOP
	CIP	2/2		SA	910	L	250,000	55,000	250,000	250,000	
							18. DATE DOCUMENT RECEIVED IN AID/W MM DD YY 				

EGYPT

Attachment to Summary Table 2

A. Introduction

Six new projects have been included in this FY 1978 Annual Budget Submission for FY 1977 funding that did not appear in the FY 1977 Congressional Presentation. Funding levels on six others have been adjusted in the light of most recent projections of funding required for the activity. Five projects included in the FY 1977 Congressional Presentation have been dropped, and the nature of one project (263-0038) has been changed. (See table for breakdown.)

B. New Projects

0016 Scientific Research Management

This activity was originally conceived as an FY 1976 project directed almost exclusively to the provision of the scientific research equipment needed to modernize the science and technology establishment in Egypt. Upon further investigation, however, it became evident that just as important as equipment would be advisory services to improve the management of scientific and technological research so that the pattern of resource allocation could be changed from basic research to applied research and product development. The Project Paper is expected for September, 1976.

<u>Project Number and Title</u>	<u>Amounts (in \$000) per:</u>	
	<u>CP</u>	<u>ABS</u>
0015 Rural Health	2,100	2,100
0020 Social Aff. Trng. Centers	1,000	1,000
0030 Suez Power Plant	100,000	100,000
0033 Urban Elec. Dist. Equip.	80,000	80,000
0036 Synthetic Materials-DMT	40,000	40,000
0039 Synthetic Materials-Rayon	15,000	15,000
A. Subtotal: Unchanged	(238,100)	(238,100)

0016	Scientific Research Mgmt.	0	2,000
0029	Contraceptive Production	0	3,000
0031	Agriculture Development Bank	0	9,000
0032	Textile Plant Rehabilitation	0	15,000
0034	Polyester Fiber	0	40,000
0040	Irrigation Pumps	0	20,000
	B. Subtotal: New Projects	(0)	(89,000)
0017	Water Use and Management	800	1,000
0021	Development of Rural Villages	500	1,000
0025	Technical & Feas. Studies II	2,000	8,400
0026	Tech. Transfer & MP Dev. III	1,000	2,500
0035	Canal Dredging Equipment	26,000	40,000
0037	Grain Storage II	95,000	60,000
	C. Subtotal: Adjusted Funding	(125,300)	(112,900)
0038	Water/Sewage I	60,000	60,000
	D. Subtotal: Major Change	(60,000)	(60,000)
-	Industrial Credit (BOA)	40,000	-
-	Small-scale Ag. Equipment	15,000	-
-	Cargo Equipment II	20,000	-
-	Small-scale Mech. of Ag.	600	-
-	Family Planning	1,000	-
	E. Subtotal: Projects Dropped	<u>(76,600)</u>	<u>(-)</u>
	GRAND TOTAL: ALL PROJECTS	500,000	500,000

0029 Contraceptive Production

The project originally proposed at \$1 million consisted basically of contraceptives and related supplies (\$850,000), training (\$40,000), a full-time population advisor (\$50,000) and other supervisory services (\$60,000). Project 0029 would expand Egypt's manufacturing capacity for contraceptives and related supplies and provide technical assistance in both production techniques and outreach system design. In addition, the Mission has an approved position for a family planning advisor.

0031 Agriculture Development Bank

This is a new project originally contemplated as an FY 1978 loan. The GOE has shown renewed interest in re-establishing a separate agriculture development bank. We believe this could be developed as a project in time for FY 1977 obligation and accordingly show it in that period.

0032 Textile Plant Rehabilitation and

0034 Polyester Fiber

The development of the \$96 million FY 1975 loan for the Mehalla operations of the El Misr Spinning and Weaving Company revealed the woefully inadequate productivity of machinery in the Egyptian textile industry in general. Since textile firms provide over 50 percent of all industrial employment in Egypt (second only to agriculture), we have proceeded with the development of these two projects. PPs are expected for April and February respectively.

0040 Irrigation Pumps

Research connected with the development of the FY 1975 grant project on Water Use and Management led to the realization that major systems failures might occur (and operating costs would increase beyond manageable proportions) unless a significant portion of the irrigation pumping capacity were renewed. Consultants confirmed this and recommended this project. A PP will be forwarded in January 1977 with that for the Canal Dredging Equipment project.

C. Projects with Adjusted Funding

0017 Water Use and Management

(See the attachment to Table 3)

0021 Development of Rural Villages

Rural village development has taken on a more important role in our strategy of assistance to Egypt than when the project was included in the FY 77 Congressional Presentation. We are presently exploring possible approaches to assisting the improvement of local government administration as an integral part of the GOE's effort to spur local development.

Law 52 of 1975 established a new system of government in Egypt, affecting central ministries by placing most of their budgets and personnel under the control of the twenty-five district governors. (This portion of the law was not implemented in 1976). The effect this transfer will have on governorate or ministry operations is not clear yet. The Law also established elected local councils with limited fiscal and administrative functions.

While the project as originally sketched out would have dealt only with the local councils through one higher level support organization (ORDEV), continuing contacts with officials at the Ministry of Local Government have led USAID/Egypt to allow for the possibility that the project that will finally be proposed will work with other branches of the Ministry. Although the exact scope of the project proposal has yet to be determined, it is clear that the Ministry needs and is looking for broadly gauged assistance in how best to implement Law 52. While many of their desires may not be suitable for AID funding, we expect a project of significantly broader scope than originally anticipated. For this reason, and until the proposal is more clearly defined, we are showing an increased amount of FY 1977 funding.

0025 Technical and Feasibility Studies II

This project was originally designed to fund feasibility studies connected with the preparation of projects advanced for AID funding. Scope of the project was broadened in the FY 1977 Congressional Presentation to include technical studies such as sector assessments and sector studies.

Experience to date has shown that the types, numbers and costs of studies the GOE would ask us to finance were seriously underestimated. While Egypt literally abounds with educated people, their experience in conducting high quality, comprehensive studies is not commensurately broad. As a result, we are structuring the Scientific Research Management Project (263-0016) to include a major effort to raise the level of

GOE expertise in conducting and managing feasibility studies. This effort will not bear fruit for several years. In the meantime, therefore, we are programming approximately \$8 million per year in FY 1977 and 1978 for this purpose, a level that our experience in FY 1976 indicates is a more realistic response to the demand. It also reflects that we expect the GOE to continue to request AID financing for feasibility studies of projects that will probably be implemented with financing from other donors.

0026 Technology Transfer and Manpower Development III

The primary economic benefits to Egypt of renewed contacts with the West can be measured in terms of how rapidly development activities in Egypt can absorb modern, advanced techniques. The FY 1977 funding level of \$2.5 million for this project is composed of \$1.0 million for U.S. technicians, \$1.2 million for participant training and \$0.3 million for commodity inputs. These amounts reflect our experience that shows an ever-increasing rate of growth in demand for U.S. technological and administrative expertise and specialized training, a demand that is constrained only by our ability to process requests and program participants and consultants.

Whereas it took us eleven months to commit the original FY 1975 funding of \$1.0 million, we are now operating at the rate of \$200,000 per month from our FY 1976 funding.

0035 Canal Dredging Equipment

The FY 1977 Congressional Presentation figure was based on the request of the two cooperating country public sector enterprises charged with all irrigation and drainage canal maintenance. Consultant reports indicate, however, that prices have increased substantially since the survey by the operating companies and that their equipment needs and advisory service requirements were understated.

0037 Grain Storage II

Because of the large number and high cost of sub-projects expected to be financed under this project, we are showing \$60 million for FY 1977 and \$40 million for FY 1978.

D. Project with a Major Change of Scope

0038 Water/Sewage

This project replaces the Water and Sewage Systems project (Suez Canal Cities) appearing in the FY 1977 Congressional Presentation as

capital grants of \$10 million in FY 1976 and \$60,000 in FY 1977. It is shown as a loan because some or all of the project may be for water and sewage treatment facilities in Cairo and Alexandria. Nevertheless, it might also be split into a capital grant for work in the Suez Canal cities and a capital loan for work in Cairo and Alexandria. There are eight feasibility studies being undertaken at the present time, including two financed by A.I.D., for water and sewage systems in possible project areas. Preliminary results from these studies, which should be available before the FY 1978 Congressional Presentation is made, are expected to clarify the roles of A.I.D. and other potential donors.

E. Projects No Longer Being Considered

- Industrial Credit (BOA)

This project was the subject of a FY 1976 loan for \$32 million entitled Development Industrial Bank.

- Small-scale Agriculture Equipment
- Small-scale Mech. of Agriculture

These complementary projects were not developed.

- Cargo Handling Equipment II

Feasibility studies were not carried out for either the FY 1976 grant of \$10 million or this capital grant of \$20 million. They are needed to support the Master Plans for development of Port Said, Ismailia and Suez. An FY 1978 capital grant of \$35 million is being prepared for new port facilities at Port Said, however, as the feasibility study will be received in time to allow obligation in FY 1978.

- Family Planning

See discussion of Project 0029, Contraceptive Production, in Section B above.

AID/W ASSISTANCE - PROJECT PREPARATION
FY 1977 PROJECTS

0016 Scientific Research Management

NE/TECH team scheduled for August will prepare Project Paper. Composition of team will be decided soon.

0020 Social Affairs Training Centers

NE/TECH (Grace Langley) will review draft PP in September in AID/W, followed by 2 or 3 weeks TDY to Cairo for final preparation. Additional team members may be needed.

0021 Development of Rural Villages

Contractor (James Mayfield) is scheduled for visit in August and September, preferably accompanied by rural development expert currently being recruited by NE/TECH. PP would need approximately 3 mm TDY services (source and composition of team not known at present).

0029 Contraceptive Production

1 mm Engineer services (perhaps available through or from UN) for PP and implementation documents.

0031 Agriculture Development Bank

1 mm TDY (date not yet fixed).

0038 Water/Sewage I

30 days TDY (non-consecutive) SER/ENGR (John Neave).

In addition, TDY's of about 15 weeks will be requested from NE/CD and about three weeks from GC/NE.

AID/W ASSISTANCE - PROJECT PREPARATION
FY 1978 PROJECTS

0041 Agriculture Development Systems

Assistance on preparation of PRP scheduled for September, 1976. Expect to contract a team (5 or 6 mm) from a land-grant college. PP preparation might require a team (from NE/TECH or TAB) of about 2 mm in July of 1977.

0046 Road Building Equipment - Canal Area and

0047 New Port Said

Mission will be requesting at least 45 days TDY services of J. Zedalis (SER/ENGR) for these two projects.

0048 Water/Sewage II

30 days TDY J. Neave (SER/ENGR), non-consecutive.
Date pending.

0054 Telecommunications

3 weeks TDY A. Hotvedt (SER/ENGR). Date pending.

In addition, TDY's of about 15 weeks will be requested from NE/CD and about three weeks from GC/NE.

Projec Number	Title	PPS (in \$)	October	November	December	January	February	March	April	May	June	July	August	September	Total
2015	Rural Health										1500				1500
2016	Scientific Research Mtg.						1500			4100					5600
2017	Water Use & Mgt.								8500						8500
2020	Social Affairs Trg. Ctra.														
2021	Dev of Rural Villages				2000										2000
2029	Contraceptive Production							3000							3000
2041	Aq. Dev. Systems	Dec	PP	2500											2500
2042	Tech. & Feas. Rtdn. III		PP	7000				2000							9000
2043	Tech. Trans. & Mgt IV						PP								
2045	Dev. Industrial Bank	July	PP	4300											4300
2046	Ho. Bldg. Equip. Canal A. And.				15000										15000
2047	New Part Bld		PP			60000									60000
2048	Water/Storage II	Sept.	PP	4000											4000
2049	Grain Storage III	July	PP		19000										19000
2050	Textile Plant Rehab. II And.		PP					70000							70000
2051	Phosphate Fertilizer		PP										PP	100000	100000
2052	Maell Cement		PP						15000						15000
2053	Flat Glass Plant		PP					30000							30000
2054	Telecommunications		PP												
2055	Railway Wagon Mfg.		PP						14500						14500
	Total		-0-	93300	18000	60000	36500	105000	14500	50000	1500	-0-	0	100000	400000

Note: Above schedule does not include preparation of documentation for FY 1979 program.

FY 1977 Documentation/Obligation Schedule

EGYPT

Project Number	Title	October	November	December	January	February	March	April	May	June	July	August	September	Totals
0015	Rural Health													2100
0016	Scientific Research Mgt.					2000								2000
0017	Water Use & Mgt.				1000				1000					1000
0020	Social Aff. Trg. Ctrs.													1000
0021	Dev. of Rural Villages				0400									1000
0025	Tech. & Feas. Studies II													1000
0026	Tech. Transfer & MPD III						2500							2500
0029	Contraceptive Production													1000
0030	Suez Power Plant													1000000
0031	Ag. Dev. Bank											9000		9000
0032	Textile Plant Rehab.													15000
0033	Urban Elec. Dist. Equip.													80000
0034	Polyester Fiber													40000
0035	Canal Dredging Equip.													40000
0036	Synthetic Materials-DMT													60000
0037	Grain Storage II													60000
0038	Water/Sewage													15000
0039	Synthetic Materials-Rayon													15000
0040	Irrigation Pumps													20000
	Totals	0-	0-	100000	9400	62000	45500	41000	16000	91000	7100	9000	120000	500000
	Note: PRPs for some FY 1978 projects are scheduled for completion in FY 1977, as follows:													
0041	Ag. Dev. Systems													
0045	Dev. Industrial Bank													
0049	Grain Storage III													
0046	Id. Bidg. Equip.-Canal Area													
0050	Textile Plant Rehab. II													
0048	Water/Sewage II													

Country/Program Egypt

FORMAT FOR FISCAL DATA
ONGOING GRANT PROJECTS FOR THE ANNUAL BUDGET SUBMISSION

Improved Preventive Rural
PROJECT NAME Health
PROJECT NUMBER 263-0015
APPROPRIATION SA

INITIAL OBLIGATION TQ* DATE PROP/REVISION 6/76
FINAL OBLIGATION FY 80 DATE LAST PAR NA
TOTAL COST \$7,800 DATE NEXT PAR NA

U.S. DOLLAR COST (IN THOUSANDS)

	FY Obligations	FY Expenditures	Unliquidated		FY 1977 and FY 1978			
			as of:		Obligations by Cost Component/MOI			
			6/30/76	Cost	Direct Aid	Contract	PASA	Total
Actual FY 1976	-	-	inc. prior year funds	77	78	77	78	78
Estimated Interim Qtr.	1,800	-0-	U.S. Tech.	-	-	345	450	450
Estimated FY 1977	2,100	1,900	Local & Tcn.	-	-	-	-	-
Proposed FY 1978	1,600	2,200	Participants	210	100	-	-	210
			Commodities	1310	800	235	250	1545
			Other Costs	-	-	-	-	-
			Total	1,500	1,520	900	580	700
				9/30/78				2100
								1600

*From FY 1976 Funds (Not NOA)

Contract/PASA Funding Periods

Name of Contractor	FY 1976		Int. Qtr.		FY 1977		FY 1978	
	from	to	from	to	from	to	from	to
Period	mo/yr-mo/yr							
TBD**	1/77	12/77	1/78	12/77	1/78	12/78	1/78	12/78
Amount		\$95		\$345		\$450		

On Board Personnel

	6/30		9/30		9/30		9/30	
	1976	1976	1976	1976	1977	1977	1978	1978
Direct Hire	-	-	-	-	-	-	-	-
PASA Contract	-	-	-	-	3	3	4	4
Participants	-	-	-	-	10	10	13	13

Period
Amount

**To be Determined

Country/Program Egypt

FORMAT FOR FISCAL DATA
ONGOING GRANT PROJECTS FOR THE ANNUAL BUDGET SUBMISSION

Scientific Res.
PROJECT NAME Management INITIAL OBLIGATION FY 77 DATE PROP/REVISION NA
PROJECT NUMBER 263-0016 FINAL OBLIGATION FY 80 DATE LAST PAR NA
APPROPRIATION SA TOTAL COST \$5,000 DATE NEXT PAR NA

U.S. DOLLAR COST (IN THOUSANDS)

	FY Obligations	FY Expenditures	FY 1977 and FY 1978 Obligations by Cost Component/MOI						
			Unliquidated as of:	Direct Aid	Contract	PASA	Total		
Actual FY 1976	-	-	6/30/76 inc. prior year funds	77	77	77	77	77	78
Estimated Interim Qtr.	-	-	U.S. Tech. Local & Tcn. Participants						
Estimated FY 1977	2,000	1,500	9/30/76 Commodities	500					
Proposed FY 1978	1,500	1,700	9/30/77 Other Costs	300					
			9/30/78 Total						

NOTE: Project Paper now being prepared by NE/TECH

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations		Int. Qtr. Obligations		FY 1977 Obligations		FY 1978 Obligations	
	from	to	from	to	from	to	from	to
Period	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr	mo/yr-mo/yr
Amount								
Period								
Amount								

On Board Personnel

	1976		1977		1978	
	6/30	9/30	6/30	9/30	6/30	9/30
Direct Hire	-	-	-	-	-	-
PASA	-	-	-	-	-	-
Contract Participants	-	-	-	-	-	-

Country/Program EGYPT

FORMAT FOR FISCAL DATA
ONGOING GRANT PROJECTS FOR THE ANNUAL BUDGET SUBMISSION

SOCIAL AFFAIRS TRAINING
PROJECT NAME CENTERS
PROJECT NUMBER 263-0020
APPROPRIATION SA

INITIAL OBLIGATION FY 1977 DATE PROP/REVISION NA
FINAL OBLIGATION FY 1981 DATE LAST PAR NA
TOTAL COST \$5,000 DATE NEXT PAR NA

U.S. DOLLAR COST (IN THOUSANDS)

	FY Obligations	FY Expenditures	Unliquidated as of:		FY 1977 and FY 1978 Obligations by Cost Component/MOI				
			6/30/76	Cost inc. prior year funds	Direct Aid	Contract	PASA	Total	
Actual FY 1976			77	78	77	78	77	78	78
Estimated Interim Qtr.					60	325	170	300	230
Estimated FY 1977	1000	680	9/30/76	Local & Tcn. Participants	290	200			290
Proposed FY 1978	2000	2100	9/30/77	Commodities	480	175			480
			9/30/77	Other Costs	220				1175
			9/30/78	Total	770	1375	60	325	1000
									2000

Contract/PASA Funding Periods

Name of Contractor	FY 1976		Int. Qtr.		FY 1977		FY 1978	
	from	to	from	to	from	to	from	to
PASA/TBD	mo/yr-mo/yr							
Amount			\$170		\$300			

On Board Personnel	6/30		9/30	
	1976	1977	1976	1977
Direct Hire	-	-	-	-
PASA Contract	-	-	-	-
Participants	-	-	6	5
	-	-	1	3
	-	-	13	21

Period	Contract/TBD*	Amount
7/77	12/77	\$60
1/78	6/79	\$325

*To be determined.

Country/Program Egypt

FORMAT FOR FISCAL DATA

ONGOING GRANT PROJECTS FOR THE ANNUAL BUDGET SUBMISSION

Development of
 PROJECT NAME Rural Villages INITIAL OBLIGATION FY 77 DATE PROP/REVISION NA
 PROJECT NUMBER 263-0021 FINAL OBLIGATION FY 80 DATE LAST PAR NA
 APPROPRIATION SA TOTAL COST \$4,700 DATE NEXT PAR NA

U.S. DOLLAR COST (IN THOUSANDS)

	FY Obligations	FY Expenditures	Unliquidated as of:		FY 1977 and FY 1978 Obligations by Cost Component/MOI				
			6/30/76	9/30/76	Direct Aid	Contract	PASA	Total	
Actual FY 1976	-	-	inc. prior year funds	77	78	77	78	77	78
Estimated Interim Qtr.	-	-	U.S. Tech.	-	-	-	-	-	-
Estimated FY 1977	1,000	450	Local & Tcn. Participants	-	-	-	-	-	-
Proposed FY 1978	1,500	1,700	Commodities	700	1145	-	-	-	-
			Other Costs	-	-	-	-	-	-
			Total	700	1145	300	355	1000	1500

Contract/PASA Funding Periods

Name of Contractor	FY 1976 Obligations		Int. Qtr. Obligations		FY 1977 Obligations		FY 1978 Obligations	
	from	to	from	to	from	to	from	to
Period	mo/yr	mo/yr	mo/yr	mo/yr	mo/yr	mo/yr	mo/yr	mo/yr
PTB* Amount			6/77	5/78	6/78	5/79	\$170	\$190

On Board Personnel

	6/30		9/30		9/30		9/30	
	1976	1977	1976	1977	1976	1977	1976	1977
Direct Hire	-	-	-	-	-	-	-	-
PASA	-	-	-	-	-	-	-	-
Contract Participants	-	-	-	-	4	3	4	4

Period
Amount

*TO BE DETERMINED

240

Country/Program Egypt

FORMAT FOR FISCAL DATA
ONGOING GRANT PROJECTS FOR THE ANNUAL BUDGET SUBMISSION

PROJECT NAME Contractive Prod. INITIAL OBLIGATION FY 77 DATE PROP/REVISION NA
 PROJECT NUMBER 263-0029 FINAL OBLIGATION FY 81 DATE LAST PAR NA
 APPROPRIATION SA TOTAL COST \$12,000 DATE NEXT PAR NA

U.S. DOLLAR COST (IN THOUSANDS)

	FY Obligations	FY Expenditures	Unliquidated as of:		FY 1977 and FY 1978 Obligations by Cost Component/MOI				
			6/30/76	9/30/76	Direct Aid	Contract	PASA	Total	
Actual FY 1976	-	-	inc. prior year funds	77	78	77	78	77	78
Estimated Interim Qtr.	-	-	U.S. Tech. Local & Tcn.	140	190	185	60	25	50
Estimated FY 1977	3,000	2,000	Participants	2,650	2,700				140
Proposed FY 1978	3,000	2,500	Commodities	1,500					2,650
			Other Costs	2,790	2,890	185	60	25	50
			Total	2,790	2,890	185	60	25	50
				3,000	3,000	185	60	25	50

Contract/PASA Funding Periods

Name of Contractor	FY 1976		Int. Qtr.		FY 1977		FY 1978	
	from	to	from	to	from	to	from	to
Period	mo/yr	mo/yr	mo/yr	mo/yr	mo/yr	mo/yr	mo/yr	mo/yr
PASA/FDA Amount								
			4/77	9/77	10/77	9/78		
			\$25	\$50				
Period TBD * Amount			3/77	2/78	3/78	9/78		
			\$185	\$60				

On Board Personnel

	1976		1977		1978	
	6/30	9/30	6/30	9/30	6/30	9/30
Direct Hire	-	-	-	-	-	-
PASA Contract	-	-	-	-	-	-
Participants	-	-	8	11	1	1

*TO BE DETERMINED

Attachment to Summary Table 3:

Narrative Progress Statements

PROJECT 263-0015: Rural Health

The Project Paper should be completed in time to allow obligation of the first funding of this project in the Interim Quarter. Implementation has not been initiated.

PROJECT 263-0017: Water Use and Management

The first Grant Agreement for this project was signed on June 30, 1976. The first implementation document is being prepared at the present time. Project inputs are expected to remain as stated in the Project Paper, except that some minor local currency costs included as an A.I.D. contribution to the project have been picked up by the host country. Project funding for FY 1977 is not affected, although the FY 1978 level reflects the adjustment.

Proposed New Grant TA Projects: Alternative FY 78 Funding Levels

<u>Project</u>	<u>Alternative A</u>		<u>Alternative B</u>		<u>Alternative C</u>	
	<u>Dollars</u>	<u>Months</u>	<u>Dollars</u>	<u>Months</u>	<u>Dollars</u>	<u>Months</u>
0041-Ag Development Systems	2,850	24	2,500		2,500	12

NOTE: Of the four basic elements in this project (data computation and analysis, improved extension services, project design and development and integrated management systems), only the improved extension element would benefit from the proposed liberalization of forward funding guidelines. A two-year contract for \$850 would fund all technical assistance for the establishment of the first (of two) regional development centers, a natural point in project implementation for a major evaluation of that activity. Alternatives B and C are based on two one-year contracts for FY 78 and FY 79 at \$500 and \$350, respectively. No separate Attachment 3B has been prepared.

LONG RANGE PROGRAM PLAN
(Millions of 1977 dollars)

	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
Food/Nutrition	45	35	55	80	80
Grants	5	5	5	5	5
Loans	40	30	50	75	75
Population/Health	5	6	22	20	35
Grants	5	6	7	5	5
Loans	-	-	15	15	30
Population	3	4	5	5	5
Grants	3	4	5	5	5
Loans	-	-	-	-	-
Health	2	2	17	15	30
Grants	2	2	2	-	-
Loans	-	-	15	15	30
Education	6	3	55	80	105
Grants	6	3	5	5	5
Loans	-	-	50	75	100
Section 106	674	706	568	420	280
Grants	118	100	75	50	-
Loans	576	606	493	370	280
CIP	250	250	250	200	150
Non-CIP	326	356	243	170	130
Total	750	750	700	600	500
Grants	134	114	67	65	15
Loans	616	636	633	535	485
PL 480					
Title I	155	150	150	125	100
Title II	15	16	16	18	20

COUNTRY: Arab Republic of Egypt

PERIOD COVERED: FY 77

DATE:

Mission Evaluation Schedule for FY 1977 and FY 1978 1/

(1)	(2)	(3)	(4)	(5)	(6)
Project Title and Number	Last Evaluation Submission Date	Number of Last PAR	Date of Submission FY 77 or FY 78 Next Evaluation	Period Covered	Remarks
Elec. Distrib. Equipment 001	-	-	-	-	Project related commodity loan - No evaluation.
Tech. Transfer I 002	17 Mar 76	CAIRO 3482	Mar. 77	1 yr.	See Footnote 1/ para. III
Feasibility Studies 003	-	-	Oct/Nov 76	1-1/2 yr.	See Footnote 1/ para. III. We estimate by late CY 76 enough activity will have occurred under this project to allow a meaningful evaluation

Footnotes

1/ In reviewing the portfolio of activities and project which will be on-going in FY 1977, we have sorted them into several categories for purposes of evaluation.

We will not undertake an evaluation of the CIP, PL 480 Title I or those project loans which provide general commodity assistance for a specific sub-sector. The latter will be listed but followed by the statement "Project Related Commodity Loan; no evaluation". At the present time we are not able to provide a schedule for an evaluation of PL 480 Title II but will do so by cable before the end of CY 1976. The remaining projects have been placed into one of three general categories.

(Footnotes continued on next page.)

Footnotes (continued from preceding page)

- I Technical or Capital Assistance projects where output, purpose, and over time goal level evaluations are planned and necessary to successful completion of these projects, these projects will have yearly PARs along with supplementary evaluations,
- II Infrastructure or Industrial Capital projects. These will be evaluated at the output level and purpose level. At the output level evaluation will take the form of monitoring for compliance with the implementation schedule or PPT. All of these projects have purposes which are the actual production of the plant or facility. Therefore, purpose level evaluation will be confined to answering questions like "is the plant producing X number of yards of cloth or Y KW of power?".
- III Projects which are composed of a series of discrete sub-projects will be evaluated by sub-project as was the case with the evaluation of the Technology Transfer project as reported in Cairo 3482, 17 March 1976.

2/ Same as Project 001.

3/ Same as Project 015.

(1)	(2)	(3)	(4)	(5)	(6)
Project Title and Number	Last Evaluation Submission Date	Number of Last PAR	Date of Submission FY 77 or FY 78 Evaluation	Period Covered Next Evaluation	Remarks
Road Building Equipment 007	-	-	-	-	2/
Grain Storage I 028	-	-	-	-	Per page 21 of Project Paper AID-DLC/P 2110. No formal evaluation planned.
Gas Turbine Generators 008	-	-	July 78	1-1/2 yr.	Evaluation of implementation through civil construction.
Ismailia Power Plant 009	-	-	Dec. 78	2 yr.	Evaluation of implementation after 1 yr. of construction.
Misir Spinning Plant 010	-	-	Aug. 77	1 yr.	Per page 49 of Project Paper.
Tech. Transfer and Manpower Development II 011	-	-	Mar. 77	1 yr.	In combination with Project 002.
Suez Cement Plant 012	-	-	Aug. 78	1 yr.	

(1)	(2)	(3)	(4)	(5)	(6)
Project Title and Number	Last Evaluation Submission Date	Number of Last PAR	Date of Submission FY 77 or FY 78 Evaluation	Period Covered Next Evaluation	Remarks
Tech. and Feasibility Studies 013	-	-	Oct/Nov 76	7 months	In conjunction with Project 003.
Cargo Equipment 014	-	-	-	-	<u>2/</u>
Rural Health 015	-	-	-	-	Project Paper and evaluation plan not yet completed.
Scientific Research Mgmt. 016	-	-	-	-	<u>3/</u>
Water Use and Mgmt. 017	-	-	Aug. 77	1 yr.	Regular PAR.
Dev. Industrial Bank 018	-	-	Sept. 77	1 yr.	Per page 14 Project Paper AID-DLC/P 2188. This will be regular PAR.
PVC Pipe Drainage 019	-	-	Oct. 77	1-1/4 yr.	Per PPT, Annex F of Project Paper.
Social Affairs Trng. Centers 020	-	-	-	-	<u>3/</u>

4/ Projects 021, 022, 023, 024, 025, 026, 027, 029, 030, 031, 032, 033, 034, 035, 036, 037, 038, 039 and 040 do not have completed Project Papers or evaluation plans at the present time.

EGYPT

PL 480 Title I Agreements and Shipments

	<u>Wheat</u> <u>MT</u>	<u>Wheat</u> <u>MT</u>	<u>Wheat Flour</u> <u>\$</u>	<u>Wheat/Wheat Flour</u> <u>MT</u>	<u>Wheat/Wheat Flour</u> <u>\$</u>	<u>Tobacco</u> <u>MT</u>	<u>Total</u> <u>\$</u>
<u>FY 1976 and 1Q</u>							
Agreements	333	NA	125	NA	750	NA	NA
Shipments	333	NA	125	NA	750	NA	NA
Carryover	-	NA	-	NA	-	NA	NA
<u>FY 1977</u>							
Agreements	833	115.0	125	23.9	-	4.2	154.6
Shipments	833	115.0	125	23.9	-	4.2	154.6
Carryover	-	-	-	-	-	-	-
<u>FY 1978</u>							
Agreements	833	115.0	125	23.9	-	4.2	154.6
Shipments	833	115.0	125	23.9	-	4.2	154.6
Carryover	-	-	-	-	-	-	-

Note: Weights in thousands of metric tons. Values in millions of dollars.

CARE-Egypt

Multi-Year Plan

FY 77-81

V. Project Outline: Nutrition Services for the
Egyptian Family Planning
Association

A. Introduction:

Food and Population are two of the major problems facing Egypt today. The current high rate of population growth is already seriously impeding the rate of economic development in the country. This project aims at effective integration and delivery of nutrition services at the community level to women accepting birth planning services.

B. Statement of the Problems:

The Egyptian population displays the typical demographic features of a densely populated developing country. The rate of population growth is high. Both birth and death rates - especially infant mortality - are high compared to industrialized countries. The age pyramid has a broad base.

Illiteracy and endemic diseases continue to plague many groups in the society, despite the considerable expansion of educational and health facilities in these fields during the past two decades and in spite of the great efforts of the government to expand the cultivated area and promote industrialization, the increase in resources and production has been at a slower rate than the increase in the population.

Although there has been considerable increase in the number of family planning centers, there has not been a corresponding increase in the rate of adoption. Furthermore, family planning centers are having considerable difficulty maintaining regular attendance of clients. Improved nutritional status may counter the nutritional losses commonly caused by excessive bleeding amongst women using intrauterine devices as well as nutritional losses caused by nausea and vomiting sometimes associated with the use of birth control pills. This is particularly true amongst women with nutritional anemias.

C. Basalinc Data

1. Socio-Economic Conditions :

In two different studies on fertility and mortality in Cairo, it was found that "those women with no experience of child death reproduced to a number which just exceeded their expectations - perhaps to safeguard against expected loss. Women with experience of child death continued to reproduce until they achieved a comparable margin, but at a higher level. The limited evidence available suggests that until families have reasonably good assurance that their young children will survive, they are not likely to be interested in restricting the size of their families."

Family size appears to have important effects both on food intake and morbidity, the direct determinants of malnutrition. With less food to go around, the vulnerable infants and young

children usually suffer most. It is also likely that the nutritional status of mothers is adversely affected, especially high parity mothers who are generally more prone to anemia. Poor maternal nutrition, in turn, contributes to complications in pregnancy, delivery and puerperium.

Unless nutritional status is improved so that the desired family size can be achieved with the minimum number of pregnancies, family planning programs will work less effectively; unless family planning is accepted and practiced, nutritional improvement will be difficult.

Egypt's leading nutrition and health authorities emphasize the need and importance of expanded efforts in the field of health and nutrition education for women in general as well as dietary supplementation for pregnant and fertile women and infants during the weaning stage.

Special mention must be made of Dr. Laila Hammam's research on the belief systems and family planning in Egyptian peasant society. According to Dr. Hammam, perceived benefits and value derived from children in a Moslem peasant society greatly outweigh the perceived costs. It is her belief that little can be done to change the attitudes of traditional peasant societies by merely setting up family-planning clinics or by repeating to people that religion does not oppose birth control.

She concludes that peasant society must develop economically and socially in such a way that the world begins to appear less threatening. It must appear to the peasant as a place where greater control is possible over the forces around him, where existence other than at a subsistence level seems feasible, where nutrition and health levels are higher and children have a greater chance of survival; where kin and children are no longer the only source of security; where women are given the opportunity to play other than family roles and to develop a new concept of self in which personal achievement has an important

place and where motherhood is not viewed as the all-important goal and the only means to achieve status; where children demand more attention and greater economic, social, and psychological investment from parents so that they constitute both a cost and a benefit; and where education brings in enlightenment and exciting new opportunities for individual effort to lead to achievement.

2. Other Quantitative Indicators :

Pattah concludes his study of 102 infants and children suffering from protein calorie malnutrition by urging more intensive nutrition education programs for mothers in infant and child feeding. In 75% of the cases breast feeding was discontinued before the infant had reached 3 months of age. In their study of infants and children (0-6 years) in a high density urban community of Cairo, Shukry, Labib, and Kamel found a high prevalence of preventable infections and deficiencies. They attribute this situation to poverty, ignorance and lack of health instructions and proper dietary supplements. Both studies verified that from the age of six months on, mother's milk alone could not supply the dietary requirements of infants.

In a recent study of iron anaemia amongst children in Cairo, 77.5% of all infants below the age of six months were found deficient. Infants of higher birth order (4th and above) showed a higher prevalence rate of anaemia. The lack of iron containing foods in both maternal and infants' diets aggravated the high prevalence rate in the mother, infant, and foetus.

D. Goals :

1. The adoption of better nutritional practices during pregnancy, lactation, weaning, and while practicing family planning by women participating in the Egyptian Family Planning Association (EPPA) Program.

The provision of a 120 gms. daily nutritional supplement of fortified cereals (Title II) to women participating in the E.F.P.A. Program.

The establishment of a viable self-sustaining nutrition service component amongst the Egyptian voluntary agencies offering community health, social and birth planning services.

E. Targets :

To provide a food supplement and promote better nutrition practices amongst :

200,000	participants	in	FY	77
400,000	"	"	"	78
500,000	"	"	"	79
400,000	"	"	"	80
200,000	"	"	"	81

It is hoped that a large segment of this work will continue on a self-sustaining basis as CARE support is phased down in FY 1981.

F. Inputs/Sources :

1. CARE Funded

a. Materials and Equipment :

1. U.S. and Third Country Purchases : Five project vehicles needed for first year of project; small European car Peugeot 104's.
2. Local Purchases : Nutrition Education materials and equipment for Demonstration Kitchens; equipment for one hundred to one hundred forty Demonstration Kitchens to be purchased in Egypt, along with ancillary equipment and the development and printing costs of nutrition/health education materials and the project records system.

b. Personnel and Operations :

Total P & O costs for the five year period should not exceed \$400,000, including Headquarters Operational costs.

c. Special Personnel Requirements :

Nutritionist/Programmer (1):

2. Non-Headquarters Funded :

- a. Nutrition/Health Education materials and equipment valued at approximately \$200,000 are to be programmed over a three year period. Section 204 (USAID) grant.
- b. Personnel and Operations - \$227,000 in salaries, operational and training costs of project personnel for a three year period are to be covered by USAID 204 grant.

3. Not Managed by CARE

- a. Nutrition/Health Education materials and equipment valued at \$64,000 (L.E. 43,000) will be provided under a Ministry of Social Welfare grant to the Egyptian Family Planning Association.
- b. Personnel and Operations grant of \$72,000 (L.E. 48,000) will be provided by the Ministry of Social Affairs to the EFPA for this Project.

G. Operational Plan :

1. Signing of 5-year Project Agreement.
2. Training of Nutrition Workers by the Institute of Nutrition.

3. Preparation and distribution of Nutrition Education materials to the participating centers and appointment of project personnel.
4. Purchase and distribution of materials for demonstration kitchens to the centers.
5. Pre-positioning food at community center level.
6. Establishment of marketing sub-centers with link to protein production centers (Experimental).

H. Evaluation :

1. Indicators - Increased participation at centers; reduced infant mortality amongst benefitting group; increase in number of acceptors of family planning; better health status of participating women.
2. Methods - Analysis of attendance; comparing infant mortality rate in target group versus the national average; compare number of acceptors before and after program commencement and against clinics without nutrition services.
3. Requirements - Annual evaluation by Institute of Nutrition and Social Research Unit of the American University of Cairo.

I. Possible Obstacles :

1. The voluntary agencies associated with the Egyptian Family Planning Association vary greatly in effectiveness and commitment; accordingly results are likely to reflect the degree of effectiveness and commitment of each member agency.
2. The EFPA has considerable outside support from UNFPA, Ford and IPPF and may be administratively overtaxed by this Project.

3. The EFPA may have difficulties in obtaining the budgetary support to meet their commitment to the project.

V. Participants in Plan Preparation

A. The CARE Director and Assistant Director.

B. Host Government Personnel :

1. Dr. Badrawi Fahmy, Executive Director, Egyptian Family Planning Association, Ministry of Social Affairs;
2. Mrs Aziza Hussein, Chairman of the Cairo Chapter of EFPA and Vice President of IPPF;
3. Dr. Aziz Bindiary, Chairman, Supreme Council for Population & Family Planning;
4. Mrs Fakhria Kassem, Public Relations Officer, Cairo Chapter of EFPA;
5. Mrs Zahia Marzouk, President of the Alexandria Chapter of EFPA;
6. Mr. Saad Ghadallah and Associates; Social Research Center, American University, of Cairo ;
7. Mr. Hussein Mahmoud; Director General, Inter-Ministerial Committee for Foreign Voluntary Assistance;
8. Dr. Hekmat Ali, Director of the National Institute of Nutrition;
9. Dr. M. Gabr. Head of the Children's Hospital Cairo.

C. Foreign :

1. Mr. Yung-gu Lee, Deputy Representative, UNICEF.
2. Dr. Dipak Bhatia, Regional Director, UNFPA.

I. Country Egypt FY 77

Sponsor's Name CARE, Inc.

A. Maternal and Child Health Total Recipients 200

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
<u>200</u>	<u>BFF</u>	<u>4,380.</u>	<u>1,440.</u>

FY 78

A. Maternal and Child Health Total Recipients 400

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
<u>400</u>	<u>BFF</u>	<u>8,800.</u>	<u>2,900.</u>

FY 79

A. Maternal and Child Health Total Recipients 500

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
<u>500</u>	<u>BFF</u>	<u>11,000.</u>	<u>3,600.</u>

FY 80

A. Maternal and Child Health Total Recipients 400

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
<u>400</u>	<u>BFF</u>	<u>8,800.</u>	<u>2,900.</u>

FY 81

A. Maternal and Child Health Total Recipients 200

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
<u>200</u>	<u>BFF</u>	<u>4,380.</u>	<u>1,440.</u>

II. Daily Caloric Provision

290 calories per woman per day
145 calories per child per day

The BFF supplement provides approximately 14.5% of
USA National Academy of Science Recommended Daily
Dietary Allowances.

FY 77 BASE YEAR

1. Contry : ARAB REPUBLIC OF EGYPT

Sponsor's Name: CATHOLIC RELIEF SERVICES, USCG

A. Maternal and Child Health

Total Recipients 418,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
418,000	W.S.B.	9,436.2	2,517.2
418,000	Bulgur Wheat	6,433.9	1,184.4
418,000	Saïad Oil	<u>2,144.6</u>	<u>1,276.6</u>
	Total MCH	<u>18,014.7</u>	<u>4,978.2</u>

B. School Feeding

Total Recipients 672,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
672,000	Flour	12,096.0	2,378.4
672,000	W.S.B.	<u>6,048.0</u>	<u>1,613.4</u>
	Total School Feeding	<u>18,144.0</u>	<u>3,991.8</u>

C. Other Child Feeding

Total Recipients 25,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
25,000	Flour	816.5	160.5
25,000	W.S.B.	544.3	245.2
25,000	Bulgur	488.2	75.1
25,000	Oil	<u>136.1</u>	<u>81.0</u>
	Total OCF	<u>1,905.1</u>	<u>461.8</u>

1. Country : ARAB REPUBLIC OF EGYPT

Sponsor's Name: CATHOLIC RELIEF SERVICES-USCC

A. Maternal and Child Health

Total Recipients 514,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
<u>514,000</u>	<u>W.S.B.</u>	<u>11,760.0</u>	<u>3,237.1</u>
<u>514,000</u>	<u>Bulgar</u>	<u>8,001.5</u>	<u>1,472.9</u>
<u>514,000</u>	<u>Oil</u>	<u>2,007.1</u>	<u>1,587.6</u>
Total MCH		<u>22,423.6</u>	<u>6,197.6</u>

B. School Feeding

Total Recipients 845,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
<u>845,000</u>	<u>Flour</u>	<u>15,210.0</u>	<u>2,990.7</u>
<u>845,000</u>	<u>W.S.B.</u>	<u>7,005.0</u>	<u>2,028.7</u>
Total School Feeding		<u>22,215.0</u>	<u>5,019.4</u>

C. Other Child Feeding

Total Recipients 30,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
<u>30,000</u>	<u>Flour</u>	<u>979.3</u>	<u>192.7</u>
<u>30,000</u>	<u>W.S.B.</u>	<u>653.2</u>	<u>174.2</u>
<u>30,000</u>	<u>Bulgar</u>	<u>427.9</u>	<u>90.2</u>
<u>30,000</u>	<u>Oil</u>	<u>163.3</u>	<u>77.2</u>
Total OCF		<u>2,286.2</u>	<u>554.3</u>

1. Country : ARAB REPUBLIC OF EGYPT

Sponsor's Name: CATHOLIC RELIEF SERVICES-USCC

A. Maternal and Child Health

Total Recipients 610,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
<u>610,000</u>	<u>W.S.B.</u>	<u>14,064.0</u>	<u>3,751.7</u>
<u>610,000</u>	<u>Bulgur</u>	<u>9,569.2</u>	<u>1,761.5</u>
<u>610,000</u>	<u>Oil</u>	<u>3,159.8</u>	<u>1,880.8</u>
Total MCH		<u>26,793.0</u>	<u>7,394.8</u>

B. School Feeding

Total Recipients 1,000,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
<u>1,000,000</u>	<u>Flour</u>	<u>11,250.0</u>	<u>2,212.1</u>
<u>1,000,000</u>	<u>W.S.B.</u>	<u>9,000.0</u>	<u>2,400.8</u>
Total School Feeding		<u>20,250.0</u>	<u>4,612.9</u>

C. Other Child Feeding

Total Recipients 35,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
<u>35,000</u>	<u>Flour</u>	<u>1,143.1</u>	<u>224.8</u>
<u>35,000</u>	<u>W.S.B.</u>	<u>762.0</u>	<u>203.3</u>
<u>35,000</u>	<u>Bulgur</u>	<u>571.5</u>	<u>105.2</u>
<u>35,000</u>	<u>Oil</u>	<u>190.5</u>	<u>113.4</u>
Total OCF		<u>2,667.1</u>	<u>646.7</u>

1. Country : ARAB REPUBLIC OF EGYPT

Sponsor's Name: CATHOLIC RELIEF SERVICES-USCC

A. Maternal and Child Health

Total Recipients 706,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
<u>706,000</u>	<u>W.S.B.</u>	<u>16,368.0</u>	<u>4,366.3</u>
<u>706,000</u>	<u>Bulgur</u>	<u>11,136.8</u>	<u>2,050.1</u>
<u>706,000</u>	<u>Oil</u>	<u>3,712.2</u>	<u>2,209.6</u>
	Total MCH	<u>31,217.0</u>	<u>8,626.0</u>

B. School Feeding

Total Recipients 1,040,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
<u>1,040,000</u>	<u>Flour</u>	<u>4,680.0</u>	<u>920.2</u>
<u>1,040,000</u>	<u>W.S.B.</u>	<u>9,360.0</u>	<u>2,496.9</u>
	Total School Feeding	<u>14,040.0</u>	<u>3,417.1</u>

C. Other Child Feeding

Total Recipients 32,500

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
<u>32,500</u>	<u>Flour</u>	<u>1,061.4</u>	<u>208.7</u>
<u>32,500</u>	<u>W.S.B.</u>	<u>707.6</u>	<u>138.8</u>
<u>32,500</u>	<u>Bulgur</u>	<u>530.7</u>	<u>97.7</u>
<u>32,500</u>	<u>Oil</u>	<u>176.9</u>	<u>105.3</u>
	Total OCF	<u>2,476.6</u>	<u>600.5</u>

1. Country: ARAB REPUBLIC OF EGYPT

Sponsor's Name: CATHOLIC RELIEF SERVICES-USCC

A. Maternal and Child Health

Total Recipients 531,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
<u>531,000</u>	<u>W.S.B.</u>	<u>13,794.0</u>	<u>3,679.7</u>
<u>531,000</u>	<u>Bulgur</u>	<u>9,385.3</u>	<u>1,727.6</u>
<u>531,000</u>	<u>Oil</u>	<u>3,128.5</u>	<u>1,862.2</u>
Total MCH		<u>26,307.8</u>	<u>7,269.5</u>

B. School Feeding

Total Recipients 1,080,000

<u>No. of Redipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
<u>1,080,000</u>	<u>Flour</u>	<u>0</u>	<u>0</u>
<u>1,080,000</u>	<u>W.S.B.</u>	<u>7,290.0</u>	<u>1,944.7</u>
Total School Feeding		<u>7,290.0</u>	<u>1,944.7</u>

C. Other Child Feeding

Total Recipients 30,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
<u>30,000</u>	<u>Flour</u>	<u>979.8</u>	<u>192.7</u>
<u>30,000</u>	<u>W.S.B.</u>	<u>653.2</u>	<u>174.2</u>
<u>30,000</u>	<u>Bulgur</u>	<u>489.9</u>	<u>90.2</u>
<u>30,000</u>	<u>Oil</u>	<u>163.3</u>	<u>97.2</u>
Total OCF		<u>2,286.2</u>	<u>554.3</u>

1. Country: ARAB REPUBLIC OF EGYPT

Sponsor's Name: CATHOLIC RELIEF SERVICES-USCC

A. Maternal and Child Health

Total Recipients 356,000

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
<u>356,000</u>	<u>W.S.B.</u>	<u>9,594.0</u>	<u>2,559.3</u>
<u>356,000</u>	<u>Bulgur</u>	<u>6,527.8</u>	<u>1,201.6</u>
<u>356,000</u>	<u>Oil</u>	<u>2,175.7</u>	<u>1,295.2</u>
Total MCH		<u>18,297.7</u>	<u>5,056.1</u>

B. School Feeding

Total Recipients 1,125,000

P.L 480 inputs completely phased out by the end of FY 81 and the COE provides full program inputs in FY 82.

C. Other Child Feeding

Total Recipients 27,500

<u>No. of Recipients by Commodity</u>	<u>Name of Commodity</u>	<u>KGS</u>	<u>Dollars</u>
<u>27,500</u>	<u>Flour</u>	<u>398.1</u>	<u>176.6</u>
<u>27,500</u>	<u>W.S.B.</u>	<u>598.8</u>	<u>159.7</u>
<u>27,500</u>	<u>Bulgur</u>	<u>449.1</u>	<u>82.7</u>
<u>27,500</u>	<u>Oil</u>	<u>149.7</u>	<u>59.1</u>
Total OCF		<u>2,095.7</u>	<u>508.1</u>

Amount Of Calories Supplied by P/L 480

MCH Monthly

WSB - 2 kg	3600 X 2 =	7.200	Calories
Bulgur - 1.361 kg	3590 X 1.361 =	6.512	Calories
Oil - 0.454 kg	884 X 4.54 =	4.013	Calories
		<u>17.725</u>	Calories/ Month
		<u>591</u>	Calories/ Day

OSF - Monthly

Flour 2.722 kg	333 X 27,22	9064	Calories
WSB 1.814 kg	360 X 18,14	6530	Calories
Bulgur 1.361 kg	359 X 13,61	6512	Calories
Oil 0.454 kg	884 X 4,54	4013	Calories
		<u>26.119</u>	Calories/ Month
		<u>870</u>	Calories/Day

School - Feeding Monthly (180 days/ Years)

Flour - 2 kg	333 X 20	6660	Calories
WSB 1 kg	360 X 10	3600	Calories
		<u>10.260</u>	Calories/ Month

with 24 school days/Month

427 Calories/ Day
(180 days/ Year)

Local supplies / daily

Dates - 60 gm	+	165	
Cheese - 20 gm	±	50	
* Beans - 80 gm		283	
Oil - 5 gm		<u>44</u>	
		542	calories / day for 180 days / year

427 + 542 calories = 969 cal / day
(180 days)

* If 80 gm prepared beans count on $\frac{1}{2}$ of 283 i.e. 70 cal or a total of 329 cal.

PROJECT IDENTIFICATION DOCUMENT

TA Grant
\$7.25 Million
Four Years

Planning, Implementation and Management
of Agriculture Development Systems

Recent assessments of Egyptian agricultural development all stress the need to make agricultural development services available to and useable by the small farmer. Although a relatively well developed institutional framework, including sufficient numbers of academically trained personnel, is in place, it is evident that the movement of techniques, information and services to the farm level is inadequate.

A recent assessment by the World Bank (Report 9316-EGT, dated March 18, 1976), notes that the management and organization of agriculture is a major institutional constraint to agricultural development. The existence of a large number of autonomous or semi-autonomous sub-units results in weak to non-existent lines of communications and no way to sort out competing claims on resources available for agriculture. These institutional subdivisions:

- a) make it difficult to develop projects best utilizing resource availability (especially human resources);
- b) render regional development difficult because of conflicting administrative jurisdiction;
- c) diffuse sub-unit competition for resources to inefficient levels; and
- d) result in public sector/private sector competition at wholesale and retail market levels.

The agriculture sector survey, conducted by the USDA under an AID PASA (Foreign Agricultural Economic Report No. 120, June 1976), also assigns top priority to the restructuring and reorganization of agricultural research, teaching and extension

because the present arrangement represents a major constraint to increased farm production. The report suggests establishment of regionally oriented agriculture/rural development centers involving well coordinated research, training and extension components. The report further identifies a need for improvements in the agricultural economics and statistical data base as well as the supply of equipment and vehicles (and maintenance programs) at various levels of the Ministries of Agriculture and Irrigation.

The central problem of increasing the flow of information to the farmer is addressed through two channels. First, the delivery system has to be changed. At present, research and extension are completely divorced in the field and, for all practical purposes, in central Ministry offices; adaptive research presently is not responsive to farmer needs; and research results flow up the administrative system to Cairo before being disseminated to extension agents. At the same time, extension agents are not given field training. Under the proposed project, these presently diffused responsibilities will be focused in a single field unit. Decisions on what adaptive research is needed will be made at the unit. Results will be disseminated by extension agents in the area. The training of extension agents will also be done at the unit. Two existing research stations will be converted into these units, now being called regional agriculture development centers, the first starting in year one of the project, the second in year three. Although they will be located in different agronomic zones, two units will be used because different administrative arrangements will also be tested. One will probably be directed through a special assistant to the Minister whereas the other will probably be directed by the director general of agriculture in the governorate in which it is located. Depending on the results of this trial, the Government would like to expand the concept of the regional center to all fourteen agronomic zones in Egypt, although perhaps only eight to ten centers would eventually be established.

The second channel is Ministry-wide. The project will improve the Government's capability to plan, implement and manage its agriculture development program through the provision of training and technical assistance, a limited quantity of equipment. Technical advisory assistance will be provided to improve systems for: (a) policy development and agricultural planning; (b) program and project selection; (c) establishment and management of programs; (d) project design and development and (e) agricultural economics data computation and analysis.

In addition to advisors attached to specific Ministry offices, special project development teams will be organized to put the improved systems into practice so as to give Ministry personnel working experience with project design and development.

The key to implementation of this project would be a contractual Title XII arrangement with a U.S. land-grant institution (either a university, university system or a consortium) to provide technical assistance in the areas of policy development, agricultural planning, project selection and program management, particularly management systems needed to integrate agricultural education, research and extension. Additional elements of the project to be supervised by the contractor (either directly or through subcontractors) would provide for a) improvement of agricultural economics and statistics and b) required specialist teams for design and development of specific projects. The contractor will also help to determine in what form, if any, the rural development center should be retained in the GOE's program.

A tentative budget of \$7,250,000 is for a four year project, of which \$2,500,000 would be for the first year. The life of project budget is provisionally divided into \$450,000 for technical assistance, training and equipment for agricultural economics and statistics, \$800,000 for the project design and development teams, \$4,000,000 for improvement of delivery of agricultural development services through the establishment of regional development centers and \$2,000,000 for technical assistance and training in agricultural policy, planning, programming and management of agricultural development.

ISSUE:

The relationship of the administration of regional development centers to the governorate director general of agriculture. The centers are intended to be service organizations whereas the governorate staffs have administrative and regulatory functions. Resolution of this issue will be attempted in the project itself.

54

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT IDENTIFICATION DOCUMENT FACESHEET TO BE COMPLETED BY ORIGINATING OFFICE	1. TRANSACTION CODE <input type="checkbox"/> A = ADD <input type="checkbox"/> C = CHANGE <input type="checkbox"/> D = DELETE	PID 2. DOCUMENT CODE 1
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3. COUNTRY/ENTITY ARAB REPUBLIC OF EGYPT	4. DOCUMENT REVISION NUMBER <input type="checkbox"/>
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5. PROJECT NUMBER (7 DIGITS) 263-0045	6. BUREAU/OFFICE A. SYMBOL NE B. CODE 3	7. PROJECT TITLE (MAXIMUM 40 CHARACTERS) DEVELOPMENT INDUSTRIAL BANK
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8. PROPOSED NEXT DOCUMENT A. <input type="checkbox"/> 2 = PRP <input type="checkbox"/> 3 = PP B. DATE MM YY 1 2 7 6	10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = L.E. 39)
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9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION a. INITIAL FY 7 8 b. FINAL FY 8 1	FUNDING SOURCE A. AID APPROPRIATED 43,000 B. OTHER U.S. 1. C. HOST COUNTRY 13,200 D. OTHER DONOR(S) TOTAL 56,200
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11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)							
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 78		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) SA	701		811		33,000		33,000
(2)							
(3)							
(4)							
TOTAL							33,000

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)

840	830	820	930
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13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)	14. SECONDARY PURPOSE CODE 910
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15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

To assist the GOE to move toward achievement of its new economic development goals and programs and support the evaluation of a modern and efficient economic sector.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

To provide the Development Industrial Bank the foreign exchanges necessary for industrial production relending to finance the importation costs of U.S. capital goods and related services.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds) The services of U.S. development bank advisors, training of senior bank officials, and related books, calculators and office equipment.

18. ORIGINATING OFFICE CLEARANCE	19. DATE DOCUMENT RECEIVED 1: AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
Signature	MM DD YY
Title	
Date Signed	MM DD YY

PROJECT IDENTIFICATION DOCUMENT

Capital Project Loan
\$43 Million
3 Years

DEVELOPMENT INDUSTRIAL BANK

A. The Problem

Shortages of foreign exchange have been one of the major constraints to rehabilitating and expanding industrial capacity in Egypt. Present and projected demand for imported capital goods far exceeds resources that could be allocated for this purpose by other bilateral and multi-lateral sources.

Following the events of the 1973 war, the GOE established substantial growth targets. It recognizes that, if these goals are to be met, the private sector will have to assume an increasingly prominent role and therefore must have access to foreign exchange to modernize and expand industrial capacity. At the same time, select public sector industries (which play a dominant role in the Egyptian economy at present) also have the same need for foreign exchange to increase their production of goods and services.

B. The Project

The Development Industrial Bank of Egypt (DIBE) is at present the principal banking institution in Egypt for providing long-term financing. Requirements for foreign exchange for term investment exceed foreseeable resources and if Egypt's industrial growth targets are to be met, the private sector in particular will be dependent on the DIBE for financial support.

In FY 1976, AID provided DIBE with \$32 million to fill a part of its foreign exchange resource requirements. At least 65 percent of that loan will be used to supply private sector credit needs. The AID loan was in addition to two IBRD credits -- one for \$15 million and the other for \$25 million -- of which the former is completely disbursed and the latter fully committed. The proposed AID loan will build on past experience and further strengthen the DIBE's capacity for evaluating, financing and supervising industrial development projects in Egypt.

C. Financing Requirements

The estimated project cost will be approximately \$56.2 million, of which \$43.0 million will be foreign exchange and \$13.2 million local currency. A.I.D. will finance the foreign exchange costs and DIBE

will finance all local currency costs. Disbursements are estimated to be spread over a three-year period. The A.I.D. loan will be provided to the ARE on concessionary terms, with a requirement that the U.S. dollars be re-lent to the DIBE on commercial terms.

D. Project Development

Assuming that the DIBE performs satisfactorily in implementing the A.I.D. loan as it has with the two previous IBRD credits, USAID should have sufficient data to submit the PRP within nine months of PID approvals; the PP is scheduled for submission by May 1977.

E. Issues. None

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE
 A A = ADD
 C C = CHANGE
 D D = DELETE

PID
 2. DOCUMENT CODE
 1

3. COUNTRY/ENTITY
 ARAB REPUBLIC OF EGYPT

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)
 [263-0046]

6. BUREAU/OFFICE
 A. SYMBOL NE B. CODE 3

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)
 [CANAL AREA ROAD BUILD. EQUIPMENT.]

8. PROPOSED NEXT DOCUMENT
 A. 2 = PRP 3 = PP
 B. DATE MM YY [8 7 | 7]

10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 BE0.39)

FUNDING SOURCE		4465089
A. AID APPROPRIATED		15,000
B. OTHER	1.	
	U.S. 2.	
C. HOST COUNTRY		45,000
D. OTHER DONOR(S)		
TOTAL		60,000

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
 A. INITIAL FY [7] 8 B. FINAL FY [] []

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPRO- PRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) SA	790B			15,000		15,000	
(2)							
(3)							
(4)							
TOTAL				15,000		15,000	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions ea.)
 821

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)
 BR BL EQTY
 14. SECONDARY PURPOSE CODE
 220

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)
 [To provide a modern highway system to facilitate land transport concomitant with its economic growth.]

16. PROJECT PURPOSE (MAXIMUM 400 CHARACTERS)
 road building
 Provide heavy/construction equipment for the construction of new roads and bridges and for the reconstruction of existing and dirt roads, linking major population, agricultural and industrial centers in the canal area.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

18. ORIGINATING OFFICE CLEARANCE
 Signature _____
 Title _____
 Date Signed MM DD YY [] [] []

19. DATE DOCUMENT RECEIVED
 AID/A, or FOR AID/A DOCUMENTS,
 DATE OF DISTRIBUTION
 MM DD YY [] [] []

CANAL AREA ROAD BUILDING EQUIPMENT

Capital Project Loan
\$ 15 Million
2 Years

A. The Problem:

Egypt's existing highway network consists of some 26,000 kilometers of road of which 12,500 kms are paved, 300 kms of that being four-lane divided. During the past ten years, investments in the maintenance and improvement of the highway system have been woefully inadequate. Many principal highway links are in disrepair and are inadequate in structural and geometric design to accommodate the rapidly growing, and disproportionately high heavy trucks, traffic. Plans for the coming 25 years include construction of 2,000 kms of primary highways and expressway and the paving of some 9,000 kms of dirt roads. Construction on rehabilitation of over 2,000 small bridges is required. Widening and strengthening of thousands of kilometers of existing secondary roads is needed to provide Egypt with a sufficient, modern highway system to facilitate land transport concomitant with its economic growth.

B. The Project

This project will provide to the Government of Egypt a \$15. million tranche of heavy equipment to be utilized for the construction of primary and secondary highways linking the major population, agricultural and industrial centers in the Suez Canal area. As such, it will supplement highway equipment previously provided by AID for the construction of intra-city streets and roads in the Canal

area. Equipment will include graders, dozers, scrapers, rollers, pavers, asphalt plants and ancillary maintenance and transport equipment. The equipment will be assigned as required to Egypt's public - but competitive - construction companies by the Ministry of Transport. Projects selected will be in accordance with long range highway development planning now being prepared by the Ministry of Transport.

C. Financing Requirements

The total foreign exchange cost of the construction equipment, estimated as \$15 million, will be financed by AID. The AID loan will be provided to the GOE at the usual concessionary terms. Disbursements are estimated to be spread over a two year period due to the long lead times for certain equipment items. All local currency costs of construction consumables, labor, POL, etc., for resultant highway projects, will be funded by the GOE/

D. Project Development

Sufficient data for PRP submission should be available within six months of PID approval. The PP is scheduled for submission by June 1977.

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE
 A = ADD
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PID
 2. DOCUMENT CODE
 1

3. COUNTRY/ENTITY
 ARAB REPUBLIC OF EGYPT

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)
 263-0047

6. BUREAU/OFFICE
 A. SYMBOL NE B. CODE 3

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)
 New Port Said

8. PROPOSED NEXT DOCUMENT
 A. 2 = PRP 3 = PP
 B. DATE MM YY 1 77

10. ESTIMATED COSTS
 (\$000 OR EQUIVALENT, \$1 = L.E.39)

FUNDING SOURCE		1165025
A. AID APPROPRIATED		35,000
B. OTHER U.S.	1.	
	2.	
C. HOST COUNTRY		85,000
D. OTHER DONOR(S)		
TOTAL		120,000

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
 a. INITIAL FY 7 7 b. FINAL FY

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 77		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) SA	790B			35,000		35,000	
(2)							
(3)							
(4)							
TOTAL				35,000		35,000	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)
 823 840

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)
 BR BU EQTY

14. SECONDARY PURPOSE CODE
 930

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)
 To stimulate import/export trade opportunities and thus help stimulate economic growth.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)
 To alleviate severe port congestion at both Alexandria and the existing Port of Said by constructing and equipping the first stage development of a new deep water port and ancillary facilities.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

18. ORIGINATING OFFICE CLEARANCE

Signature _____
 Title _____
 Date Signed MM DD YY _____

19. DATE DOCUMENT RECEIVED BY AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
 MM DD YY _____

DRAFT

PROJECT IDENTIFICATION DOCUMENT

Capital Project Grant
\$35 Million
4 Years

PLANNING AND DESIGN
OF PORT FACILITIES FOR
PORT SAID

A. The Problem

Forecasts in the Port Said Master Plan estimate that general cargo tonnage through the port will increase to 3 million tons annually by 1980, to 4.5 million tons by 1985, and to 10 million tons by 2000. With modernization, practical throughput capacity of the existing port could approach 3 million tons. To accommodate the demands beyond 1980, however, it will be necessary to develop a new port area as the existing port cannot be further expanded without serious conflict with development of the urban area and interference with Suez Canal operations.

B. The Project

The project will consist of the construction and equipping of the first stage development of the new port at Port Said. Project will include dredging, construction of three general cargo and bulk berths, transit sheds, warehouses, open storage areas, internal roads and utilities, and cargo handling equipment. Initial new port operations will be scheduled for 1980; with follow-on expansion, the existing

port could be phased out by 1985.

C. Financial Requirements

The total project cost is estimated at approximately \$120 million, of which \$35 million will be in foreign exchange and \$85 million in local currency. AID will grant-finance the foreign exchange costs while local currency costs will be met by the GOE. Generated revenues will be dedicated to further expansions of the new port facilities by the GOE.

D. Project Development

Engineering master planning, feasibility studies and final design of the first stage of new port development will be accomplished by a U.S. engineering firm under AID FY 76 financing. Submission of the PRP will be within nine months after PID approval. The PP is scheduled for submission by July 1977.

CDE:PSLewis:jp:7/27/76

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE
 A A = ADD
 C C = CHANGE
 D D = DELETE

PID
 2. DOCUMENT CODE
 1

3. COUNTRY/ENTITY
 ARAB REPUBLIC OF EGYPT

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)
 263-0048

6. BUREAU/OFFICE
 A. SYMBOL NE B. CODE 3

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)
 CANAL CITIES WATER AND SEWAGE

8. PROPOSED NEXT DOCUMENT
 A. 2 = PRP 3 = PP
 B. DATE MM YY 05 77

10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = L.E.39)

FUNDING SOURCE		AMOUNT
A. AID APPROPRIATED		60,000
B. OTHER	1.	
	U.S. 2.	
C. HOST COUNTRY		40,000
D. OTHER DONOR(S)		
TOTAL		100,000

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
 a. INITIAL FY 78 b. FINAL FY

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 78		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) SA				60,000		60,000	
(2)							
(3)							
(4)							
TOTAL				60,000		60,000	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)
 826 850 541 545

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)
 BU EQTY

14. SECONDARY PURPOSE CODE
 510

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)
 To strengthen infrastructure in the area of water supply and sewage treatment, thus helping reduce the incidence of disease.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)
 To rehabilitate, expand and upgrade existing potable water treatment and sewage treatment facilities and related distribution and collection systems in the cities of Suez, Port Said and Ismailia.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

18. ORIGINATING OFFICE CLEARANCE
 Signature _____ Title _____ Date Signed MM DD YY

19. DATE DOCUMENT RECEIVED BY AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
 MM DD YY

DRAFT

PROJECT IDENTIFICATION DOCUMENT

Capital Project Grant
\$60 Million
4 Years

WATER AND SEWAGE FACILITIES
IN THE SUEZ CANAL CITIES

A. The Problem

Recently completed Master Planning for development of the three main Canal cities -- Port Said, Ismailia and Suez -- envisions total population growth from the existing one-half million to over two million by the year 2000. To provide an adequate supply of potable water to support this growing population and concurrent commercial and industrial facility growth, together with required wastewater treatment facilities, it has been estimated that an investment of over \$200 million is required during the 1976-1981 period alone. Conflicts in the Canal Zone since 1967, and the lack of investments in water supply and sewage treatment systems since that time, have resulted in inadequate existing systems in varying states of disrepair. Without early investments in this basic infrastructure, the planned development of the Canal cities will be severely constrained.

B. The Project

The Project will consist of rehabilitating, expanding and upgrading the existing water treatment and sewage treatment facilities, together

with their distribution/collection systems, and the construction of new, high-priority facilities, as required, to adequately meet the needs of the existing and forecasted populations (and industries) in the short term. Project planning will be consistent with the overall city planning approved by the GOE.

C. Financial Requirements

The estimated aggregate project cost will be about \$100 million, of which about \$60 million will be foreign exchange and \$40 million local currency. AID will finance the foreign exchange component and the Egyptian Government will provide local currency financing. Disbursements will be over a four-year period during which engineering design, procurement and system construction will be accomplished. The AID funding will be in form of a grant to the GOE.

D. Project Development

U.S. architect-engineer firms will be contracted to prepare a detailed master plan for water and wastewater systems development consistent with the approved city plans, identify high-priority projects and prepare feasibility studies of such projects. Submission of the PRP will be within six months of PID approval; the PP is scheduled for submission by November 1977.

CDE:PSLewis:jp:7/27/76

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE
 A = ADD
 C = CHANGE
 D = DELETE

PID
 2. DOCUMENT CODE
 1

3. COUNTRY/ENTITY
 ARAB REPUBLIC OF EGYPT.

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)
 263-0049

6. BUREAU/OFFICE
 A. SYMBOL NC B. CODE 3

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)
 GRAIN STORAGE III

8. PROPOSED NEXT DOCUMENT
 A. 2 = PRP 3 = PP
 B. DATE MM YY 07 77

10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = L.E. 39)

FUNDING SOURCE		WABSEB
A. AID APPROPRIATED		40,000
B. OTHER U.S.	1. 2.	
C. HOST COUNTRY		35,000
D. OTHER DONOR(S)		
TOTAL		75,000

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
 a. INITIAL FY 7 8 b. FINAL FY

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 78		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1)					40,000		40,000
(2)							
(3)							
(4)							
		TOTAL		40,000		40,000	

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)
 013 333

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)
 BR NUTR

14. SECONDARY PURPOSE CODE
 324

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)
 Increase the amount of food grains available to the economy for consumption through improved grain storage and distribution methods and facilities.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)
 Construct modern grain storage facilities in key locations throughout the country in order to eliminate existing and numerous flat, open storage areas which are conducive to high loss due to waste and infestation.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

18. ORIGINATING OFFICE CLEARANCE
 Signature _____
 Title _____
 Date Signed MM DD YY _____

19. DATE DOCUMENT RECEIVED BY AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
 MM DD YY _____

PROJECT IMPLEMENTATION DOCUMENT

Capital Project Loan
\$40 Million
4 Years

GRAIN STORAGE

A. The Problem

From 1962 to 1974, Egypt's food grain imports jumped from 1.5 million tons a year to 3.5 million tons a year — an increase of about 233 percent. Grain silo storage capacity, however, remained constant, a 48,000 metric ton facility in Alexandria and a 58,000 metric ton facility in Cairo. Presently, some 70 percent of the in-country grain movement and storage is outside the silo system, utilizing bags and flat open storage areas, conducive to high losses from infestation and waste. Prior to the 1965 break in diplomatic relations between Egypt and the United States, a comprehensive study of the national grain storage and distribution system by Weits-Hettelsater Engineers recommended the construction of 53 new storage facilities comprised of 743,000 tons of silo capacity and 210,000 tons of closed, flat storage capacity.

AID expressed its intention to help finance the construction of several of the facilities; but with subsequent intervening wars, the project was never implemented.

B. The Project

The General Company for Silos (GCS), a government-owned corporation under the Ministry of Supply, is responsible for importing and distributing food grains throughout Egypt.

With the assistance of AID, a 43-million FY 75 loan, the GCS has begun two new projects which are considered the most critical in the grain distribution system, a ship unloading and 100,000 ton capacity storage silo complex at the Port of Alexandria, and a 100,000 ton capacity grain storage silo facility in Cairo. In concert with AID, GCS will determine which additional facilities have the highest priority in terms of providing adequate storage and maintaining a smooth distribution system.

C. Financial Requirements

The estimated cost of all the required facilities for the storage and distribution system far exceeds the amount AID can make available to the project. AID plans to stagger its assistance to the project,

\$60 million during FY 77 and \$40 million during FY 78, because of the large total cost of the project and the large number of facilities to be erected. The GOE will finance the Egyptian pound costs which are expected to almost equal the amount of the foreign exchange, since much of the construction materials for the silos are procured locally. The AID loans will be made on concessionary terms to the GOE, and disbursements will be over a four-year period.

D. Project Development

AID is financing a comprehensive study of the grain and edible oil import and distribution system. This study will be completed by February 1977 and will contain sufficient information for the FY 77 PRP to be prepared and submitted in May 1977. Additional consulting services will be required to review discrete project costs and provide a technical analysis before the PP can be submitted during August 1977. The FY 78 PRP will be submitted July 1977, and the PP will follow within four months.

E. Issues

No major issues have been sufficiently developed at this time.

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PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE
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 2. DOCUMENT CODE
 1

3. COUNTRY/ENTITY
 ARAB REPUBLIC OF EGYPT

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)
 263-0050

6. BUREAU/OFFICE
 A. SYMBOL NE
 B. CODE 3

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)
 Textile Plant Rehabilitation II

8. PROPOSED NEXT DOCUMENT
 A. 2 = PRP
 3 = PP
 B. DATE 1 2 7 6

10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = L.E.39)

FUNDING SOURCE		WBS REF
A. AID APPROPRIATED		19,000
B. OTHER		
1. U.S.	2.	
C. HOST COUNTRY		7,400
D. OTHER DONOR(S)		
TOTAL		26,400

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
 a. INITIAL FY 7 8
 b. FINAL FY

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 78		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) SA	701 B		831		19,000		19,000
(2)							
(3)							
(4)							
TOTAL					19,000		19,000

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)
 690

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)
 TNG

14. SECONDARY PURPOSE CODE
 600

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)
 To provide necessary resource requirements in equipment, materials, and manpower for establishing a dependable flow of high-quality cotton and cotton-blended products for export and domestic markets.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)
 To rehabilitate and expand one of the largest textile plants to increase exports for foreign exchange, and to supply the local market with competitively priced textile products.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds) A textile industry consultant team will be contracted to report on the technical and economic feasibility of the rehabilitation and expansion of the textile plant. Approximate cost will be \$40,000.

18. ORIGINATING OFFICE CLEARANCE

Signature _____

Title _____ Date Signed

19. DATE DOCUMENT RECEIVED BY AID/W, or FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

PROJECT IDENTIFICATION DOCUMENT

Capital Project Loan
\$19 million
3 Years

TEXTILE PLANT REHABILITATION

A. The Problem

Textiles form one of Egypt's most important industries, accounting for 50 percent of Egypt's industrial employment, 25 percent of its industrial output, and 18 percent of its foreign exchange earnings. The industry's efficiency, however, is poor, with the major cause being a scarcity of foreign exchange to maintain existing equipment and for purchase of modern replacement equipment.

At present, textile production is sufficient to satisfy domestic demand, with excess available for export. Due, however, to population increase and a higher standard of living by the Egyptian people, projections indicate that by 1980, domestic demand will exceed supply by about 120 million square meters, and by 1985, by about 300 million square meters. Therefore, without modernization and net additions to capacity, Egypt's textile exports will shrink to zero and the country will need to import textile products.

B. The Project

The Egyptian textile sector consists of 27 Government-owned plants which, together, produce most of Egypt's textile products. Each plant is in need of rehabilitation, modernization and elimination of production bottlenecks. In FY 76, A.I.D. financed the rehabilitation of Egypt's largest textile plant at Mehalla. Also in 1976, the World Bank financed two plants. We will now review the remaining 24 companies and select the most desirable candidate.

C. Financial Requirements

The estimated project cost will be about \$30 million, of which about \$19 million will be foreign exchange and \$11 million local currency. A.I.D. will finance the foreign exchange cost, and the Egyptian company the local currency costs. Disbursements will be over a three-year period. The A.I.D. loan will be on concessionary terms to the Government of Egypt, with a requirement that the funds be re-lent to the company on commercial terms.

D. Project Development

A textile industry consultant will be contracted for a six-week period to report on the technical and economic feasibility of the project selected. Other field work (e.g., management assessment and financial review) will be handled by USAID staff. Submission of the PRP will be within six months after PID approval; the PP is scheduled for submission by April 1977.

E. Issues

The major issue is the Government's pricing policies which now act as a disincentive to cotton production at the farm level and, to a lesser extent, textile production at the factory level. The GOE, with donor assistance, is now reviewing this problem and we are reasonably confident that corrective action will be taken in the near future.

One minor issue is the GOE's dividend policy, for public sector companies, which virtually eliminates the retention of earnings for reinvestment. This issue will be addressed during project development.

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE

A = ADD
 C = CHANGE
 D = DELETE

PID

2. DOCUMENT CODE
 1

3. COUNTRY/ENTITY

ARAB REPUBLIC OF EGYPT

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)

263-0051

6. BUREAU/OFFICE

A. SYMBOL
 NE

B. CODE
 3

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)

PHOSPHATE FERTILIZER

8. PROPOSED NEXT DOCUMENT

A. 2 = PRP
 3 = PP

B. DATE MM YY
 1 2 7 6

10. ESTIMATED COSTS

(\$000 OR EQUIVALENT, \$1 = L.E. 39)

FUNDING SOURCE		WAB5E8F
A. AID APPROPRIATED		70,000
B. OTHER	1.	
	U.S. 2.	
C. HOST COUNTRY		120,000
D. OTHER DONOR(S)		
TOTAL		190,000

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION

a. INITIAL FY 7 8

b. FINAL FY 8 1

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) SA	213B				70,000		70,000
(2)							
(3)							
(4)							
TOTAL					70,000		70,000

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)

011

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)

BS

EQTY

14. SECONDARY PURPOSE CODE
 201

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

To help curb the sharply increasing food import bill due to the rapid population growth and the slow growth of food supplied due in part to rationing of fertilizers.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

To alleviate the continued heightened market demand for chemical fertilizers in Egypt by producing phosphate fertilizer in sufficient quantities to have an appreciable effect on the market demand.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

Services of a technical advisory team and a general contractor. Total funding costs approximate \$50,000.

18. ORIGINATING OFFICE CLEARANCE

Signature

Title

Date Signed

MM DD YY

19. DATE DOCUMENT RECEIVED 1:
 AID/W, OR FOR AID/W DOCUMENTS,
 DATE OF DISTRIBUTION

MM DD YY

PROJECT IDENTIFICATION DOCUMENT

Loan
\$70.0 Million
3 Years

PHOSPHATE FERTILIZER

A. The Problem

Food imports and the food gap in Egypt have been growing in real terms because of increased demand due to rapid population growth and the slow growth of food supplies due to rationing of fertilizers. There is a continual heightened market for chemical fertilizers in Egypt. Demand is concentrated on phosphate and nitrogen fertilizers.

Fertilizer consumption historically has increased substantially from 113,000 tons in 1950, with growth rates of about 7 percent per annum from 1950 to 1965 and 4-5 percent thereafter. Although consumption of phosphorous fertilizers has almost doubled in the years just prior to 1975, it is still far below the recommended level.

Numerous soil and plant nutrition studies and fertilizer experiments have firmly established the poverty of all Egyptian soils in nitrogen and phosphate. According to the IBRD, yield levels for most crops in Egypt have not risen appreciably in the past decade because of the increasing need for drainage and soil improvement. However, wheat yields in Egypt in recent years have increased substantially when this crop received added fertilizer supplies, which suggests the potential of cereals in Egypt.

Over the last two decades, domestic prices for phosphates have remained relatively stable. Regarding equity, there is a uniform price for fertilizer types, the price is the same to the farmer and is almost the same in all different forms.

- B. International cost comparisons reveal that Egypt derives a comparative advantage in this industry because of a large natural resource base and the low cost of rock phosphate and electricity. Low labor costs and abundant availability of engineering skills also contributed to the competitiveness of the industry.

Given the problematic concerns with respect to fertilizer stated earlier, a phosphate fertilizer plant will be an important contribution toward satisfying market demand and in increasing the productive capacity of Egyptian soils.

C. Financing Requirements

The estimated project cost will be approximately \$190 million, of which approximately \$70.0 million will be foreign exchange and \$120.0 million local currency. The proposed AID loan will be under normal concessionary terms. A three-year disbursement period will be provided to allow for any unforeseen implementation delays.

The services of a technical advisory team, to spend approximately eight weeks in preparation of a technical, economic and financial feasibility study of the plant, will be necessary

D. Project Development

Assuming that the technical advisory team concurs in the suitability of this project, USAID should have sufficient data to submit the PRP within nine months of PID approval. The PP is scheduled for submission by May 1977.

E. Issues. None

74a

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE
 A A = ADD
 C C = CHANGE
 D D = DELETE

PID
 2. DOCUMENT CODE
 1

3. COUNTRY/ENTITY
 ARAB REPUBLIC OF EGYPT

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)
 263-0052

6. BUREAU/OFFICE
 A. SYMBOL B. CODE
 NE 3

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)
 MAADI CEMENT PLANT

8. PROPOSED NEXT DOCUMENT
 A. 2 = PRP 3 = PP
 B. DATE MM YY
 01 7 77

10. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 = L.E.39)

FUNDING SOURCE		AMOUNT
A. AID APPROPRIATED		100,000
B. OTHER	1.	
	U.S. 2.	
C. HOST COUNTRY		75,000
D. OTHER DONOR(S)		
TOTAL		175,000

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
 a. INITIAL FY 7 8
 b. FINAL FY

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 78		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) SA	790B				100,000		100,000
(2)							
(3)							
(4)							
TOTAL					100,000		100,000

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)
 831 840

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)
 EQTY BR

14. SECONDARY PURPOSE CODE

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)
 To support future investments in infrastructure such as roads and ports, industrial and agricultural development projects and reduce need for cement imports, thus saving foreign exchange.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)
 Finance the cost of goods and services required to construct a million to per year cement plant.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

18. ORIGINATING OFFICE CLEARANCE
 Signature _____
 Title _____ Date Signed MM DD YY _____

19. DATE DOCUMENT RECEIVED BY AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
 MM DD YY _____

PROJECT IDENTIFICATION DOCUMENT

Capital Project Loan
\$100 million
4 Years

EAST OF MAADI CEMENT PLANT

A. The Problem

Egypt's cement consumption in CY 1976 is estimated at 4.5 million tons. Demand is expected to increase to 7.8 million tons per annum by 1981 and to ten million by 1984. Considering the increased reconstruction activity and industrial expansion under way, most experts believe that demand will exceed these projections.

At present, Egypt's cement production capacity is 3.85 million tons per annum. Expansions under way and new additions will add an additional 3.0 million tons (including the AID-financed Suez Cement Plant) by 1981, bringing capacity to 6.8 million tons per annum, or 1.0 million tons below the projected demand. This deficit will need to be imported, which is expensive considering freight charges, or reconstruction and industrial and infrastructure expansion will need to be curtailed.

B. The Project

The project consists of the construction of a one-million ton per annum cement plant and auxiliary facilities, the development of limestone and clay quarries to provide the bulk of the raw material requirements of the plant, and the construction of water and power lines needed for its operation.

The plant will be located East of Maadi, where adequate limestone and clay deposits exist.

C. Financial Requirements

The estimated aggregate project cost will be about \$175 million, of which \$100 million will be in foreign exchange. AID will finance the foreign exchange component and either the Egyptian Government or private Egyptian investors will provide the local currency financing. Disbursements will be over a four-year period, during which design, engineering, procurement of equipment and construction will be accomplished. The AID loan will be on concessional terms to the GOE

and will be reliant on commercial terms to the project.

D. Project Development

A U.S. architect/engineer firm will be employed to prepare a complete feasibility study. Financing for the study will be from AID's Feasibility Studies Grant. Submission of the PRP will be six months after PID approval; the PP is scheduled for early CY 1978.

E. Issues. None

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE
 A A = Add
 C C = CHANGE
 D D = DELETE

PID
 2. DOCUMENT CODE
 1

3. COUNTRY/ENTITY
 ARAB REPUBLIC OF EGYPT

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)
 263-0053

6. BUREAU/OFFICE
 A. SYMBOL NE B. CODE 3

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)
 Flat Glass Plant

8. PROPOSED NEXT DOCUMENT
 A. 2 2 = PRP
 3 3 = PP
 B. DATE

MM	YY
1 2	7 6

10. ESTIMATED COSTS
 (\$000 OR EQUIVALENT, \$1 = LE \$.39)

FUNDING SOURCE		BASE LE
A. AID APPROPRIATED		15,000
B. OTHER	1.	
	U.S. 2.	
C. HOST COUNTRY		10,000
D. OTHER DONOR(S)		
TOTAL		25,000

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
 a. INITIAL FY 7 8
 b. FINAL FY 8 1

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPRO- PRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) SA	701		831		15,000		15,000
(2)							
(3)							
(4)							
TOTAL					15,000		15,000

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)
 832

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)
 Tech -

14. SECONDARY PURPOSE CODE
 -

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)
 To contribute to the industrial and rural development of the Arab Republic of Egypt.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)
 To alleviate the shortage of sheet glass required by the domestic construction and housing industry and to provide for future export demand from other developing countries in the region.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)
 Consultant engineering services. Total funding costs approximate \$35,000.

18. ORIGINATING OFFICE CLEARANCE

Signature _____
 Title _____
 Date Signed
 MM DD YY

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

PROJECT IDENTIFICATION DOCUMENT
(FY 1978)

Capital Loan
\$15.0 Million
3 Years

FLAT GLASS PLANT

A. The Problem

Several technical problems exist in the present production of sheet or flat glass. The major problems are: (a) non-regularity of edge thickness, (b) wave phenomenon, (c) a high percentage of inclusion bubbles, (d) the degree of transparency is moderate, (e) the percentage of waste in production is high, and (f) the efficiency in production is not comparable to the industrial norm for this industry.

Present production of flat glass is not conducive to (1) the introduction of modern styles of building and the trend to increase the surface of transparent areas in modern buildings, (2) the trend to use aluminum frame as a substitute for wooden frame, and (3) the new standards for aluminum frames production which will require increasing the thickness of sheet glass used in windows.

The projections of future demand of sheet/flat glass is based on trends in the housing and building industry. This shows an increasing need for sheet glass for the construction industry, in general, and especially for the housing and building industry. Additionally, need of other countries in the region for glass presents increasing opportunities for export.

According to a preliminary Sheet Glass Project Study by El Nasr Glass and Crystal Company dated July 1974 based on the ratio of consumption of sheet glass in the ten year period (1962-1972), ninety tons of sheet glass is necessary for each one million Egyptian pounds invested in building and construction. These projections for the next ten years indicate that the norm will increase in the next ten years to reach an average of 90-120 tons. Local production of sheet glass in 1973 amounted to only 16,000 tons, with consumption of 24,300 tons. The projected domestic consumption of sheet glass for 1980 and 1982 is shown as 55,000 and 65,000 tons, respectively.

B. The Project

At the present time in the A.R.E. there are 24 significant establishments manufacturing glass and glass products. Of them, three belong to the public sector and the rest belong to the private sector. These factories are concentrated around Cairo, Alexandria, and the al-Qaliobiya province. These companies produce various types of glass and glass products such as ordinary plate glass, ornamental plate glass, and glass products for domestic use, factory tools, medical and pharmaceutical uses, glass wool products, tempered glass, triplex and polyester glass and numerous other types and grades of glass products.

A flat glass plant project is attractive due to the fact that it could draw on a large natural resource base for production as well as contribute to satisfying the increasing market in the industrial and private sectors.

The raw materials for glass production are sand, soda ash, limestone, feldspar and dolomite. Sand is by far the most important material in glass making since silica comprises over 70% of the finished product. The flat glass industry produces window or sheet glass, plate glass, glass blocks, foamglass, architectural decorative building panels, wire glass, windshields, and heat absorbing sheet glass.

C. Financing Requirements

The estimated project cost will be approximately \$25 million, of which \$15 million will be foreign exchange and \$10 million local currency. The proposed AID loan will be under normal concessionary terms (forty years including a ten year grace period on repayment of principle, with interest at 2% per annum during the grace period, and 3% per annum thereafter). A three year disbursement period will be provided to allow for any unforeseen implementation delays.

Consulting engineering services will be required to spend a total of approximately four weeks to examine the technical, economic, and financial feasibility of the proposed plant.

D. Project Development

Assuming that the consultant's examination confirms the validity and conclusion of the available data, USAID will be able to submit a PRP soon after conclusion of the consultant's services. The PP is scheduled for March 1978.

E. Issues - None.

NE/ME/E:Egan:pe
8/9/76

DRAFT

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE

A = ADD
 C = CHANGE
 D = DELETE

PID
2. DOCUMENT CODE
 1

3. COUNTRY/ENTITY
 ARAB REPUBLIC OF EGYPT

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)
 263-0054

6. BUREAU/OFFICE
 A. SYMBOL: NE
 B. CODE: 3

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)
 TELECOMMUNICATIONS

8. PROPOSED NEXT DOCUMENT

A. 2 = PRP
 3 = PP

B. DATE: MM YY 12 76

10. ESTIMATED COSTS
 (\$000 OR EQUIVALENT, \$1 = L.E. 39)

FUNDING SOURCE		AMOUNT
A. AID APPROPRIATED		30,000
B. OTHER	1.	
	U.S. 2.	
C. HOST COUNTRY		5,000
D. OTHER DONOR(S)		
TOTAL		35,000

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION

a. INITIAL FY 7 8
 b. FINAL FY 8 1

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY 78		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) 30,000	701		827		30,000		30,000
(2)							
(3)							
(4)							
TOTAL					30,000		30,000

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)

TECH _____

14. SECONDARY PURPOSE CODE
 -

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

Improve the capacity of Egyptian telecommunications capabilities to meet telecommunications demands of both industrial and government consumers.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

Based upon the telecommunications master plan this project will focus upon telecommunications in government and industrial areas in order to link Cairo (and surrounding environs) to key industrial and international centers. Concentration will be placed upon improving telephone and telex capacity.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds) Telecommunications sector study report on improving existing network facilities in light of modern technologies.

18. ORIGINATING OFFICE CLEARANCE

Signature _____

Title _____ Date Signed: MM DD YY _____

19. DATE DOCUMENT RECEIVED AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY _____

PROJECT IDENTIFICATION DOCUMENT

Capital Project Loan
\$30 Million
3 Years

TELECOMMUNICATIONS

A. The Problem

Existing telecommunications equipment in Egypt is inadequate and aggravated by the increase of economic activities in-country. Deficiencies exist in orderly planning, coordination and implementation of telecommunications activities.

Some items of telecommunications equipment and cable are manufactured locally. However, the output of these manufacturing firms is inadequate to satisfy demand requirements. As of 1973, there were 373,500 lines as the equipped capacity of the local telephone system. By the end of 1977, even with the current construction effort, unsatisfied demand is expected to increase to 260,500 lines.

B. The Project

The project purpose is to increase the capacity of the Egyptian communications industry to meet the telecommunications demands of industrial and government consumers. The project will provide the telecommunications equipment necessary for further industrial expansion. The project is designed to rehabilitate and refurbish a selected local telecommunications grid in light of modern technologies consistent with the trends of the ARE master plan in this area. Existing networks (based on a project program plan) will be utilizing digital techniques, electronic switching systems and computer control of traffic exchanges.

The specific national telecommunications grid development will take into account international services such as telephone, telegraph, telex and appropriate special services such as facsimile, data transmission, leased lines, ship-shore maritime radio, and space communications consistent with projected market and traffic forecasts. The project will be the basis for specific modern technological engineering design and implementation procedures. Area concentration will be for Cairo and immediate surroundings in order that telephone and telex communications in this area be linked with key international industrial centers.

C. Financing Requirements

The estimated project cost will be approximately \$35.5 million, of which \$30.0 million will be foreign exchange and \$5.0 million local currency. A.I.D. will finance the foreign exchange costs. Disbursements are estimated to be spread over a three-year period. The A.I.D. loan will be provided to the ARE on concessionary terms.

D. Project Development

Assuming that a satisfactory and inclusive contractor telecommunications sector study report is submitted including all pertinent data, analyses, findings and recommendations, USAID should have sufficient data to submit the PRP within nine months of PID approval. The PRP is scheduled for submission by May 1977.

E. Issues. None

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT FACESHEET
 TO BE COMPLETED BY ORIGINATING OFFICE

1. TRANSACTION CODE
 A = ADD
 C = CHANGE
 D = DELETE

PID
 2. DOCUMENT CODE
 1

3. COUNTRY/ENTITY
 ARAB REPUBLIC OF EGYPT

4. DOCUMENT REVISION NUMBER

5. PROJECT NUMBER (7 DIGITS)
 263-0055

6. BUREAU/OFFICE
 A. SYMBOL NE B. CODE 3

7. PROJECT TITLE (MAXIMUM 40 CHARACTERS)
 Railway Wagon Manufacture

8. PROPOSED NEXT DOCUMENT
 A. 2 = PRP B. DATE 1 2 7 6
 3 = PP

10. ESTIMATED COSTS
 (\$000 OR EQUIVALENT, \$1 = LE \$.39)

FUNDING SOURCE		BASE LE
A. AID APPROPRIATED		50,000
B. OTHER U.S.	1.	
	2.	
C. HOST COUNTRY		30,000
D. OTHER DONOR(S)		
TOTAL		80,000

9. ESTIMATED FY OF AUTHORIZATION/OBLIGATION
 a. INITIAL FY 7 8 b. FINAL FY 8 1

11. PROPOSED BUDGET AID APPROPRIATED FUNDS (\$000)

A. APPRO- PRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. FIRST FY		LIFE OF PROJECT	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	H. GRANT	I. LOAN
(1) SA	701		824		50,000		50,000
(2)							
(3)							
(4)							
TOTAL					50,000		50,000

12. SECONDARY TECHNICAL CODES (maximum six codes of three positions each)
 831 -

13. SPECIAL CONCERNS CODES (MAXIMUM SIX CODES OF FOUR POSITIONS EACH)
 TECH -

14. SECONDARY PURPOSE CODE
 -

15. PROJECT GOAL (MAXIMUM 240 CHARACTERS)

To contribute to the industrial and rural development of the Arab Republic of Egypt.

16. PROJECT PURPOSE (MAXIMUM 480 CHARACTERS)

To provide railway wagons needed to alleviate the inadequacies of the existing railway system and to enable the Egyptian railway network to provide for future increases in passenger and freight traffic.

17. PLANNING RESOURCE REQUIREMENTS (staff/funds)

Consultant engineering services. Total funding costs approximate \$45,000.

18. ORIGINATING OFFICE CLEARANCE

Signature

Title

Date Signed

MM DD YY

19. DATE DOCUMENT RECEIVED BY AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

MM DD YY

DRAFT

PROJECT IDENTIFICATION DOCUMENT

Capital Loan
\$50.0 million
3 years

RAILWAY WAGON MANUFACTURE

A. The Problem

The concentration of economic activity along the Nile Valley and in the Nile Delta has overtaxed the existing railway network. This network through lack of maintenance and development is now barely adequate for existing demand. The existing 3,559 kilometers of railway links four major airports and three ports.

While most locomotives and railcars are relatively new, 40% - 50% of passenger coaches and freight cars are over thirty years old and generally in very poor condition. About 65% of freight cars have a capacity of less than 20-tons versus a few new bogie type with more modern capacities up to 40-tons.

Long distance railcars are well maintained; however, diesel and electric railcars for short distance, and commuter traffic and rail busses are run down because of continuous overcrowding of their underpowered cars and lack of spare parts. The same may be said of old wooden body coaches. Currently a high percentage of cars have a capacity of less than 15-tons; a substantial portion of cars are over forty years old; a large percentage of cars are without continuous brake action and have obsolete chain coupling and bumpers.

The development of the transport sector has been constrained by limited foreign exchange. This has resulted in the deferral of both maintenance of, and new investment in, facilities and vehicles. The impact of the latter has been most severe on rolling stock, locomotives, and heavy trucks.

The modal distribution of inland freight traffic in ton/kilometer has been constant over several years at 50% to railroads (25% to roads, 20% to inland waterways, and 5% to pipelines).

B. The Project

The project will enlarge and modernize the plant which manufactures railway freight cars and passenger coaches. During the upcoming 1980's no other transportation mode offers the potential to serve at reasonable cost the traffic demand forecast for inland transport. The railroad touches the life of literally every individual in Egypt. Increased utilization of existing facilities would only be possible through the replacement of overaged equipment for the existing fleet. As explained earlier

there is no existing transport alternative to the railway--given the level of economic activity, land configuration, population concentration already established along the railroad route, and within the timeframe for other transport buildup (e.g. highway construction).

It has been, and remains, Egyptian Government strategy to maintain the position of the railways as the primary mode for inland transport. The manufacture of railway wagons will serve to alleviate the inadequacies of the existing system and enable the Egyptian railroad to provide adequate service for the forecast traffic.

Passenger railway traffic currently accounts for over three-quarters of the total traffic and nearly two-thirds of all movement revenues. The Egyptian railways forecast to 1979 shows increases of 3.2% per annum for passengers, and 4.7% for passengers/kilometers with a 10% increase in average journey length.

Given the railways' economic and institutional efficiency for handling such a growth in passenger traffic when compared with the alternative of upgrading the network (inter-city highways and expanding long-distance bus traffic), this project proves to be the most efficient with respect to transportation network improvement.

Additional benefits will accrue to the Egyptian economy through the increased net revenue of the railways and savings to railway users through improved service.

C. Financing Requirements

The estimated project cost will be approximately \$80 million, of which \$50 million will be foreign exchange and \$30 million local currency. The proposed AID loan will be under normal concessionary terms (forty years including a ten year grace period on repayment of principle, with interest at 2% per annum during the grace period, and 3% per annum thereafter). A three year disbursement period will be provided to allow for any unforeseen implementation delays.

Consultant engineering services of approximately six weeks will be required to determine the technical and economic feasibility of the proposed railway wagon manufacturing plant.

D. Project Development

Upon verification by the consultant of the feasibility of this proposed plant, USAID will have sufficient data to draft a PRP. The PRP is scheduled to be submitted in April 1977.

E. Issues - None.

NE/ME/E:Egan:pe
8/9/76

EGYPT

CENTRALLY FUNDED RESEARCH

The Mission prepared a PID for a proposed project number 263-0027, Rice Research and Training, which would have provided bilateral funding to establish a Middle Eastern Regional Rice Research Institute (MERRRI) affiliated with and established through assistance from the International Rice Research Institute (IRRI). While the project might be partially justified on a bilateral basis, since most benefits would accrue to Egypt (especially in the beginning), we have decided that a centrally funded grant to IRRI for the MERRRI would be a more appropriate funding route. We attach the PID for a regionally funded project.

