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# YEAR TWO WORK PLAN

## EGYPT FINANCIAL SERVICES PROJECT

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## CONTENTS

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Acronyms		i
Preface		iii
Introduction		iv
SECTION I	Task 1: Establish a Supporting Framework for the Real Estate Finance Industry	1
	A. Institutional Partners	1
	B. Overview of Year 1 Achievements	1
	C. Policy and Institutional Environment	2
	D. Year 2 Planned Activities	3
	E. Level of Effort	13
SECTION II	Improve the Registration System for Urban Real Properties	15
	A. Institutional Partners	15
	B. Overview of Year 1 Achievements	15
	C. Policy and Institutional Environment	17
	D. Year 2 Planned Activities	18
	E. Level of Effort	29
SECTION III	Develop Framework and Procedures for Secured Lending and New Financial Instruments	29
	A. Institutional Partners	29
	B. Overview of Year 1 Achievements	29
	C. Policy and Institutional Environment	30
	D. Year 2 Planned Activities	30
SECTION IV	Establish a Broad-Based Credit Information System	38
	A. Institutional Partners	38
	B. Overview of Year 1 Achievements	38
	C. Policy and Institutional Environment	39
	D. Year 2 Planned Activities	39
	E. Level of Effort	46
SECTION V	Crosscutting Departments	47
	A. Information Technology	47
	B. Public Awareness/Outreach	48
	C. Training	49
ANNEX A	Projected Year 2 Deliverables by Task and Quarter	A-1
ANNEX B	Projected Public Awareness Crosscutting Activities	B-1
ANNEX C	Training Matrices by Task	C-1
ANNEX D	Activities and Deliverables Matrix	D-1

## ACRONYMS

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ABS	Asset-Backed Securities
AI	Appraisal Institute
AMCHAM	American Chamber of Commerce in Egypt
AOJS II	Administration of Justice Support II
BDA	Bond Dealers Association
CASE	Cairo and Alexandria Stock Exchange
CIDA	Canadian International Development Agency
CBE	Central Bank of Egypt
CMA	Capital Market Authority
COTS	Commercial Off-the-Shelf
CRA	Commercial Registry Authority
DCA	Development Credit Authority
EAR	Egyptian Association of Realtors
EAREA	Egyptian Association of Real Estate Appraisers
EBI	Egyptian Banking Institute
EISA	Egyptian Insurance Supervisory Authority
ECMA	Egyptian Capital Market Association
EFS	Egypt Financial Services
ELF	Egyptian Finance Liquidity Facility
EHFC	Egyptian Housing Finance Company
EIMA	Egyptian Investment Management Association
EISA	Egyptian Insurance Supervisory Authority
EJA	Egyptian Judges Association
ELA	Egyptian Lawyers Association
EMA	Egyptian Mortgage Association
EMBA	Egyptian Mortgage Brokers Association
EPO	Egyptian Survey Authority Provincial Office
EREA	Egyptian Real Estate Association
ERESA	Egyptian Real Estate Surveyors Association
ESA	Egyptian Survey Authority
ESOP	Employment Stock Ownership Plan
EU	European Union
FTC	Federal Trade Commission
GAFI	General Authority for Free Zones and Investment
GIS	Geographic Information System
GOE	Government of Egypt
GSF	Guarantee and Subsidy Fund
IFC	International Finance Corporation
KRA	Key Results Area
LADIS	Legislation and Development Information Systems
MBA	Mortgage Bankers Association
MCDR	Misr for Clearing, Depository, and Registry
MFA	Mortgage Finance Authority
MFC	Mortgage Finance Company
MSAD	Ministry of State for Administrative Development
MOF	Ministry of Finance
MOH	Ministry of Housing

MOJ	Ministry of Justice
MOI	Ministry of Investment
MOU	Memorandum of Understanding
NAR	National Association of Realtors
NASD	National Association of Securities Dealers
NCJS	National Center for Judicial Studies
NIB	National Investment Bank
NFI	New Financial Instrument
REPD	Real Estate Publicity Department
RETD	Real Estate Tax Department
SII	Securities and Investment Institute
TDL	Training Development Laboratory
UCD	Universal Cadastral Database
USAID	United States Agency for International Development
WB	World Bank

## PREFACE

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Chemonics International and the members of the Egypt Financial Services consortium are pleased to present our second annual work plan.

EFS would like to thank our principal partners at the Ministry of Investment, Mortgage Finance Authority, Ministry of Justice, Ministry of State for Administrative Development, Capital Market Authority, Egyptian Survey Authority, and the Central Bank of Egypt. We benefited from valuable input from senior officials, numerous managers, and staff members at these organizations. We are particularly grateful to H.E. Minister of Investment, Dr. Mahmoud Mohieldin, Senior Advisor to the Minister of Investment Abdel Hamid Ibrahim, and our new partners, Chairman of the Mortgage Finance Authority Osama Saleh and Chairman of the Capital Market Authority Hani Sarei El Din, both appointed during EFS' first year of operation.

The EFS team has attempted, to the greatest extent possible, to respond to the needs and priorities of our institutional partners and reflect their needs in the activities presented in this work plan. We remain flexible and willing, within the confines of our contractual scope of work, to respond on short notice to new and urgent tasks as they arise.

Finally, we wish to thank our USAID Cognizant Technical Officer Gregg Wiitala and Deputy Cognizant Technical Officer Ingi Lotfi for their assistance and guidance throughout the first year of this project and for their important input into this second annual work plan.

## INTRODUCTION

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The Egypt Financial Services (EFS) project's vision is to establish a dynamic private-sector mortgage-lending industry competing for business across the spectrum of borrowers, and a thriving real estate services sector that brings efficiency and lower costs to the industry. We will help Egypt establish the necessary legal requirements, practices, and financial tools to unlock its wealth so that its citizens have greater access to lower-cost capital for expanded home ownership and investments in businesses. To make this operational, EFS is organized to target four major areas:

**Task 1:** Establish a Supporting Framework for the Real Estate Finance Industry

**Task 2:** Improve the Registration System for Urban Real Properties

**Task 3:** Develop a Framework and Procedures for Secured Lending and New Financial Instruments

**Task 4:** Establish a Broad-Based Credit Information System

EFS works with both public and private entities. Our counterparts and partners include: the Ministry of Investment (MOI), Ministry of Justice (MOJ), Ministry of Finance (MOF), Ministry of State for Administrative Development (MSAD), Mortgage Finance Authority (MFA), General Authority for Investment and Free Zones (GAFI), Capital Market Authority (CMA), Central Bank of Egypt (CBE), Egyptian Survey Authority (ESA), Egyptian Real Estate Association, Egyptian Mortgage Brokers' Association, and Egyptian Appraisers' Association. Other cooperating organizations include the Egyptian Banking Institute (EBI) and the Egypt Chapter of the International Federation of Surveyors. Additionally, EFS cooperates and coordinates its efforts with other donor agencies including the World Bank, International Finance Corporation (IFC), the European Union (EU), the Canadian International Development Agency (CIDA), and complementary USAID projects.

Our second annual work plan reflects the needs and requests of our institutional partners and builds upon outcomes achieved in Year 1.

During our first year, EFS made important strides to fulfill project objectives. Capacity building and strengthening key institutional partners moved forward and gained momentum with new leadership at both the MFA and CMA during the second half of the year. Additionally, EFS is now positioned to work directly with Egypt's first established private credit bureau, ESTEALAM, which was granted a preliminary license from the CBE in August 2005. EFS has continued to make progress in the area of registration. Task 2 will reach peak technical assistance levels as they make the Training Development Laboratory, the ESA training facility, and two model offices operational. Title registration will be introduced for the first time in an urban area, and EFS is spearheading this initiative. Task 3 saw impressive results in the area of securitization and the introduction of new instruments in the capital market.

A number of training programs vital to the creation of a mortgage market were implemented this year and will increase in Year 2. The Public Awareness and Communication Team also

made significant advances in developing a coordinated public communication strategy with market stakeholders and government counterparts.

To reach our Year 2 and overall project objectives, EFS plans to hire a long-term resident advisor to replace the departure of one early in Year 1. In addition to serving as Task 1 leader, Kevin O'Brien will assume the role of senior legal advisor for Task 1. The new resident advisor will assume administrative, financial, and other responsibilities involving the mortgage market. We will need to add another long-term technical position to provide the required finance, banking, and legal expertise for credit bureau regulation and operations. Also, Task 2 requires an implementation and field operations supervisor to design, organize, and manage the award of performance based contracts to the private sector.

With solid achievements in Year 1, the EFS team anticipates positive outcomes for Year 2, including:

- Continued institutional strengthening at both public and private partner institutions
- Improved regulatory framework with market regulations and best practices strengthened in all task areas
- Enhanced consumer protection for the mortgage industry and credit information system
- EFS partner associations with credibility and membership to drive training and best practices
- Increased professionalism of industry stakeholders through a variety of targeted and relevant training programs
- Improved information technology capacity at key institutions including the MFA and the private credit bureau
- Communication strategy in place that will expand stakeholders' and the general public's awareness of mortgage, registration, new financial instruments, and credit bureau initiatives
- Title registration introduced in urban areas through the creation of two model registry offices and installation of automated registry and cadastral systems
- The establishment of an operational mortgage finance liquidity facility
- Introduction of a modernized collateral registry



## SECTION I

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### **Task 1: Establish a Supporting Framework for the Real Estate Finance Industry**

#### **A. Task 1 Institutional Partners**

The principal institutional partners for Task 1 are the Ministry of Investment (MOI), the Mortgage Finance Authority (MFA), and the already established mortgage finance companies (MFCs), El Taamir Mortgage Company and the Egyptian Housing Finance Company (EHFC). Cooperating partners include the Ministry of Justice (MOJ), Central Bank of Egypt (CBE), banks, Capital Market Authority (CMA), Ministry of State for Administrative Development, (MSAD), the Egyptian Banking Institute (EBI), and professional associations such as the Egyptian Mortgage Association (EMA), Egyptian Real Estate Association (EREA), Egyptian Mortgage Brokers Association (EMBA), and the Egyptian Association for Real Estate Appraisers (EAREA).

#### **B. Overview of Year 1 Achievements**

##### **B1. Public Partners: Ministry of Investment and the Mortgage Finance Authority**

EFS reached agreement on a memorandum of understanding (MOU) with the MFA's board of directors outlining the roles of counterparts and delivery of planned activities during 2005. The MOU established a mutual understanding and a teamwork approach to meeting objectives.

Before capable staff was recruited, EFS provided a skilled team of advisors for legal, financial, and operational support at the MFA. When recruiting became possible under USAID's Implementation Letter, Task 1 advisors took an active role that resulted in hiring 11 key managers and administrators with several others in the pipeline. Recruiting capable staff was a major accomplishment and was necessary before real capacity building could begin.

EFS consultants advised MFA's senior management and board of directors on how to identify its basic mission, develop an appropriate operating model, implement a functional organizational structure, and develop a strategic plan. We provided substantial support to the MFA regarding its de facto management role over the guarantee and subsidy fund (GSF). Our advisors identified programs that will benefit the primary and secondary market and ways to restructure the fund that would allow the MFA and the fund to meet important policy objectives.

EFS capacity building touched every level of the MFA. English-language training was offered to all that qualified. During the year, Task 1 undertook a broad assessment of employees that will accelerate placement in the appropriate department (as the reorganization unfolds) and enhance the capacity of the MFA.

EFS completed an extensive IT needs assessment, and the Phase I IT procurement plan is on track for completion by the end of the year. We developed and incorporated into the overall MFA training plan an IT human resources and training needs assessment. We also designed a

high-level Web site. The EFS team is working closely with the MFA to develop approaches to database and filing systems needs related to the MFA's documentation requirements.

Legal reform, a main activity scheduled for our Year 1 work plan, was generally discouraged by our counterparts. No new changes to existing law were proposed, except for recommended changes to the Executive Regulations early in the project. Legal support and capacity building would better describe our role this past year. EFS is just beginning work in the regulatory and supervisory area.

As predicted by government officials and other experts, public awareness is a core issue in this market. EFS completed several important public awareness events and more are planned for Year 2. Major publications include *Consumer Mortgage Information*, a booklet for the MOI, and an accompanying flyer and poster, issued under the MOI's "Own Your Home" brand. EFS also developed a communications strategy for the MOI and is developing another for the MFA.

## **B2. Private Partners: Mortgage Finance Companies and Associations**

Major achievements involving the two mortgage finance companies (MFCs), El Taamir and Egyptian Housing Finance Company (EHFC) were tied to association development and mortgage training in concert with the U.S. Mortgage Bankers Association (MBA). MFCs provided experts for course development and practitioners for train-the-trainer sessions. Moreover, the two companies formed the Egyptian Mortgage Association (EMA). Having both MFCs take major roles in training and association development was essential, as these companies possess significant hands on experience in the market.

EFS completed a diagnostic analysis requested by El Taamir, and in Year 2, we will field an expert to help El Taamir develop a credit manual, policies and procedures, and an audit regime to measure compliance. These materials will serve as models for other lenders.

Loan results from November 2005 show a significant increase in activity of the two MFCs over the baseline period of a year ago. EFS can track loan growth, obtain data consistent with that reported to the MFA, and monitor management analysis that explains trends.

Developing appraisal course materials and related activities involved bringing together the practitioners and academic professionals from EAREA and the Appraisal Institute (AI) from the United States. Thus, best practices were brought to bear on the five courses under development. Training begins in December 2005.

## **C. Policy and Institutional Environment**

New GOE policies have significantly affected EFS work. Task 1 was asked to provide more technical assistance in subsidies than originally anticipated. This should change again because other sources of funds were identified before year end to support subsidy work. Following enactment of amendments to the Executive Regulations, the Ministries of Investment and Justice were not anxious to address legal reform. However, there may be an opportunity to move forward with reform in 2006.

EFS was constrained in its efforts to build capacity at the MFA until September, primarily because capable management and staff were not in place under the former chairman. This

significantly impacted the MFA and delivery of Task 1 planned activities. Conversely, EFS is off to a positive start with the new leadership at the MFA. The new leaders push organs of government, EFS, and themselves to achieve results. EFS has earned credibility with the new chairman, and we are working along side MFA management as one team. We must work hard to maintain credibility with MFA management and demonstrate that we will continue to achieve results.

Finally, it seems that the Ministry of Investment is more comfortable moving important policy initiatives to the MFA. Centralization will benefit EFS, given our relationship with the MFA.

## **D. Year 2 Planned Activities**

### **KRA 1.1: Strengthen MFA's Institutional Capacity to Supervise the Real Estate Finance Industry in Egypt**

#### **1.1.1 Identify GOE objectives and priorities.**

Completed.

#### **1.1.2 Establish real estate finance working group.**

Established in Year 1 with the Mortgage Finance Authority board of directors.

#### **1.1.3 Review and revise MFA organizational structuring and staffing.**

Completed.

#### **1.1.4 Assist MFA capacity building and develop business plan.**

EFS continues to provide capacity building assistance. We completed the MFA business plan in Year 1. We have outlined Year 2 assistance under Activity 1.1.5, which incorporates ongoing assistance for MFA strengthening, capacity building, and training.

#### **1.1.5 MFA institutional strengthening, capacity building and training.**

EFS will continue to support the entire institution, but in Year 2 will focus on two main areas defined by the MFA board of directors: market regulation and consumer protection.

Capacity building and technical training in these core areas are essential to further strengthen the MFA and fulfill its mandate to regulate the market.

It is clear that the MFA chairman has been placed in an important policy role. EFS anticipates more requests for resources to help the government identify successful programs in comparable markets — programs that benefit the primary and secondary mortgage market.

EFS gives high priority to capacity building at the executive level (chairman and deputy chairman). To build capacity at this level, Task 1 will provide:

- An observational study tour to the United States in early 2006 for MFA executives. The study tour will expose participants to regulatory institutions, government officials, and market participants in a developed mortgage market.
- The Wharton Program in June 2006. EFS is pursuing the possibility of bringing the Wharton Program to Egypt to allow broader participation.

For capacity building and training programs, we will offer on-the-job and other types of training. We will also provide training to market professionals. The challenge is to balance needs against what is feasible, given time and budget constraints, but we expect to meet most of the needs.

**Deliverable:** One observational study tour and one short course in the U.S. for MFA executive level management. (Q1 and Q2)

**Outcome:** Maturing functional areas such as industry affairs/regulation and consumer protection.  
Regulatory guidelines in place for critical risk areas, such as lending by MFCs and other lenders.

#### 1.1.6 IT support for MFA.

Building IT capacity at the MFA is an ongoing effort. We completed Phase I in the first year of the project, and Phase II, covering additional hardware requirements like servers, workstations, printers, network equipment and services, is underway. In addition to procurement and IT training initiated in Year 1, the IT team will assist the MFA with software procurements, system development, and implementation in Year 2, including:

- Implement a financial and administration system that meets the requirements of the public services authorities
- Implement a document/workflow management system to enable the MFA to receive reports from various stakeholders in the mortgage industry
- Implement a regulatory information management system
- Develop Phase II of the Web portal

**Deliverable:** Phase II procurement (Q2)  
Functioning operating systems (Q2)

**Outcome:** Improved MFA IT operations/capabilities

#### 1.1.7 Enhance the role of the MFA as regulator.

Proper regulatory oversight, manuals and enforcement measures must be developed for the MFA and the market. EFS will begin with regulations for MFCs because all indicators show that the greatest risk to this new and fragile market is poorly performing mortgage portfolios. Now is the time to position the MFA firmly as regulator through institutional strengthening. Following regulatory training, onsite inspections will take place with the MFCs. These inspections may be done in cooperation with the CBE or solely by the MFA. Either way, the MFA, with EFS assistance in Year 2, is to have an established and functioning in-house capability. Because of the high importance of this activity, EFS plans to have a regulatory

advisor work alongside the MFA industry affairs manager for considerable periods of time during Year 2.

Additionally, EFS will assist with the MFA plan to have specific supervisory capacity for the planned liquidity facility.

- Deliverable:** Regulations for MFCs (Q2)  
Onsite inspection of at least one MFC (Q2)
- Outcome:** Enhanced capacity of MFA as regulator  
Operational regulated mortgage liquidity facility with proper investment policy (see KRA 3.2, Task 3)

### 1.1.8 Public awareness support to the MFA.

The EFS Public Awareness and Communication Team will draft an MFA communication strategy in line with the aggregate plan presented to the MOI in Year 1. The public awareness team will provide on-the-job training to the MFA communication specialist to build the internal communication capacity of the MFA.

EFS will continue to coordinate with the MFA on important public awareness/communication activities including an MFA fact sheet. The fact sheet will state the MFA's mission, objectives, and role in the mortgage finance sector, and it will be used to introduce and familiarize industry stakeholders with the MFA. The public awareness team will also support the MFA with press releases and continuation of the media awareness program consistent with the communication strategy.

- Deliverable:** MFA communication strategy (Q1)  
MFA fact sheet (Q1)
- Outcome:** Functioning MFA communication unit

### 1.1.9 USAID funding to MFA.

EFS completed the administrative requirements for staff recruitment under the USAID Implementation Letter in Year 1.

- Deliverable:** Key MFA positions hired (Year 1)
- Outcome:** Professional MFA management staff in place

### 1.1.10 Enhance the consumer protection function at the MFA.

As outlined in Activity 1.1.5, this is a key focus area. Again, strategic planning will dictate the kind of culture MFA desires, but international best practices point toward a "level playing field" among consumers, lenders, and real estate professionals in the market. This generally requires:

- Full disclosure and policies that do not result in discrimination
- Educated consumers and qualified professionals operating under acceptable standards of conduct

- Deliverable:** Disclosure policies in accordance with best practices (Q3)

**Outcome:** Consumer protection exists within a regime of adequate disclosure and supervision

## **KRA 1.2: Required Legal, Regulatory, and Administrative Reforms Promulgated**

### **1.2.1 Required legal, regulatory, and administrative reform.**

In Year 1, we formed a legal committee/working group comprised of EFS and MFA technical staff.

Two initiatives will give us an opportunity to make an impact in mortgage market:

1. Task 2 pilot registration offices will involve administrative reform and result in both title and mortgage registration. We project registration of 30,000 titles in two pilot offices. Even if only 10 percent of 30,000 registered titles result in mortgages, 3,000 mortgages or ten times what is currently on the books will be recorded.
2. The American Chamber of Commerce in Egypt is aggressively seeking administrative reform to move the market forward. We are active in the Real Estate Core Group and will support its work with analysis and other resources.

**Deliverable:** Pilot offices in area recommended by mortgage lenders (TBD)  
Position papers to lobby officials on reform (Q2-4)

**Outcome:** Significant increase in mortgage loans

### **1.2.2 Research legal reform.**

Although legal reform was not encouraged in Year 1, EFS plans to have legal experts from time to time to assist with specific reform efforts. As with the Year 1 work plan, our counsel will capture in a concept paper substantive legal activities during 2006, such as reform issues, obstacles encountered, and resolutions related to Task 1. This document will serve as an important reference guide for USAID and our counterparts.

**Deliverable:** Legal Reform Concept Paper, 2006 edition (Q4)

**Outcome:** Quarterly updates

### **1.2.3 Standard Documentation.**

Work to create standard mortgage documentation was one of the casualties when a change in leadership occurred at the MFA. Counselor Akram Abou Hessab, the former head legal advisor, was knowledgeable in this area, but left his position in August. We expect the new senior counsel to pick up on this work with the MFCs and banks, and we will devote resources to support this work.

In 2005, we completed improvements to a fundamental document on model mortgage contract and a consumer protection report.

**Deliverable:** Standard mortgage contracts (Q2)

**Outcome:** Workshop on standard contracts for lenders (Q2)  
Standardized mortgage contract for MFCs and banks which will support development of both the primary and secondary markets.

### **KRA 1.3: Real Estate Professions Stimulated, Industry Brought to International Standards, and Other Services Developed**

To develop good lenders, appraisers, and brokers and to build understanding with stakeholders, we will roll out two major training programs in 2006: mortgage finance training and appraisal training.

Along with the basic mortgage finance course developed this year, we will develop and field three additional mortgage courses and five appraisal courses. All courses will utilize local trainers using international best practices adapted to local market and legal conditions.

In our training model, international and local trainers will co-develop materials for each course. International trainers provide training for the first and second rounds. The relevant association trainer conducts the third round alone. In some cases, the international trainer will co-instruct with the relevant association trainer in the third round.

#### **1.3.1 Identify and prioritize associations that are necessary for a healthy real estate and mortgage lending market in Egypt.**

In Year 1, EFS identified a number of associations. EFS is working with two partner associations to form a new association for real estate brokers. EFS will produce a directory of real estate associations.

**Deliverable:** Directory of real estate associations (Q2)

**Outcome:** Shared knowledge base

#### **1.3.2 Identify and review training packages for similar trade associations.**

Completed.

#### **1.3.3 Conduct basic-level training for targeted associations that are established or in preliminary stages of establishment.**

Training for association capacity building and management:

- Orientation Workshop for association boards and executive directors
- Association Management Latest Trends Program. This program will introduce professional practices in association operations including, strategic planning, communication and marketing, fund raising, advocacy, and financial management.

**Deliverable:** Training programs in association management (Q1– 3)

**Outcome:** Improved association management skills to ensure development and sustainability of private sector associations of real estate professionals.

#### **1.3.4 Identify training needs, develop curricula, and implement training.**

Completed.

### 1.3.5 Explore possibility of MFA-sponsored workshop.

In Year 1, EFS anticipated an MFA-sponsored workshop to explore constraints on real estate related associations in Egypt. Due to changes in leadership at the MFA and its limited capacity to undertake such a workshop, we did not pursue it. During the last half of Year 1, EFS made substantial progress to improve MFA operations and to develop association partnerships. The environment is now conducive to support such events.

During Year 2, in cooperation with the MFA, EFS will convene a two-day National Real Estate Conference organized with EFS partner associations, under the auspices of the MOI. EFS will help the associations organize this event scheduled for the end of the second quarter. Each association should invite its members and professionals to present technical papers and recruit well-known guest speakers for the conference.

**Deliverable:** National Real Estate Conference (Q2)

**Outcome:** Cooperation and information sharing among associations in the real estate sector

### 1.3.6 Public-Private Partnerships for licensing of real estate professionals.

In Year 1, this activity sought to introduce a public-private partnership to provide licensing and/or certification for appraisers and brokers. With increased MFA capacity and interest, this activity will move forward in cooperation with EFS partner associations. Detailed actions are discussed in Activity 1.3.9.

EFS presented the EFS Association Model to the MFA and received its approval. The presentation focused on EFS' proposed partner associations, future activities, and international partner associations to be twinned with local ones.

EFS ensures that its assistance to targeted associations supports the MFA's mandate to regulate the real estate finance industry. EFS is coordinating development of public-private partnerships between the MFA and relevant associations. Outcomes of the partnerships will include professional training curricula, training providers, and exams approved by the MFA.

EFS has defined the capacity building needs of the MFA itself. The EFS training plan will enable the MFA to supervise and regulate real estate professionals. EFS is currently working with the MFA to develop licensing requirements, standards, and the legal and regulatory framework for the MFA and relevant associations.

**Deliverable:** Licensing plan; MFA approved professional education (TBD subject to MFA timetable)

**Outcome:** Public-private partnership established between the associations and the MFA, leveraging private sector expertise and resources to create a fair, open market

### 1.3.7 Investigate ways to use existing industry data systems in a shared environment.

In Year 1, EFS sought ways to use existing industry data systems in a shared environment. Due to the overall weak environment, priority instead was given to developing viable associations, as well as the sector overall. In Year 2 with the development of associations and the sector, we anticipate addressing this activity.

**Deliverable:** Agreement among members on data systems in shared environment (Q4)

**Outcome:** Progress toward a multi-listing system and similar market information exchange databases

### 1.3.8 Association capacity building to train real estate professionals.

Association support and development is necessary to develop the mortgage market. Associations spearhead professional development by contributing materials and experts for course development and respected practitioners to be trainers in mortgage finance through an EFS program that twins the U.S. Mortgage Bankers Association (MBA) with the Egyptian Mortgage Association (EMA), and the U.S. Appraisal Institute (AI) with the Egyptian Association for Real Estate Appraisers (EAREA). In Year 2, the EFS Training Department will field ten individual training courses and other support activities.

- The Egyptian Mortgage Association (EMA) training programs:
  - Egyptian Primary Mortgage Market
  - Loan Origination
  - Loan Underwriting
  - Loan Servicing
  - Fraud Detection

The mortgage association will seek to collaborate with the Egyptian Banking Institute (EBI) to deliver these courses.

- The Egyptian Association for Real Estate Appraisers (EAREA) will offer the following five courses by the end of Q3:
  - Real Estate Appraisal Principles
  - Appraisal Procedures
  - Case Studies in Real Property Appraisal
  - Market and Highest and Best Use Analysis
  - International Valuation Standards with Egyptian Supplements

The AI trainers will be available to assist with the training programs, if needed. EFS anticipates that by the end of Q1, EAREA should have a strategy to conduct these courses on their own.

**Deliverable:** Mortgage finance training programs (Q1-4)  
Appraisal training programs (Q1-4)

**Outcome:** Real estate-related professionals trained and best practices introduced

### 1.3.9 Implementation of EFS association development plan with EFS association partners.

In Year 1, EFS developed a standardized EFS assistance strategy for partner associations to ensure uniform EFS assistance for all partner associations. Assistance to build the institutional capacity of each association includes:

- Assist in development of an association business plan to ensure sustainability
- Provide association management training programs
- Build association capacity
- Develop an information resource center for association members
- Develop an association communication strategy in collaboration with EFS public awareness and communication department
- Provide technical training and curriculum development for both certification and continuous education.

In the first quarter, EFS and participating associations will prepare and sign MOUs summarizing roles, duties and responsibilities, program development, and capacity building activities.

EFS is moving toward implementation of the first stage of the association development plan according to the strategy developed in Year 1. Assistance will be in the form of a spectrum of possible assistance; programs will be tailored to the respective association's needs and will be based on cost sharing to include possible contributions in kind by the association. The plan, to be tailored to each association includes:

- The association provides an office space.
- EFS will support hiring of an executive manager and provide basic office equipment, including a computer and a printer.
- The associations will form various committees for membership development, training, fund raising, etc. EFS will work with the MFA to approve course materials as they become available, and certify associations as MFA-approved training providers. In this way, Egypt will have a standard curriculum for real estate professionals (see Activity 1.3.6).
- Associations, with the help of templates provided by EFS, develop Web sites and operation and financial management tools.
- Launching of association business plans will be in the first quarter of 2006. The inauguration event for all three associations will take place in the first quarter.
- Association training courses will be tied in with the rollout plan for MBA and AI courses. EFS will assist in the preparation and management of training programs, including marketing training courses, course registration, fee structure, recruiting and retaining trainers, exams, course evaluation, and improving and updating courses.
- The associations' boards of directors and the committees will work on membership development, management of training programs, and collaboration efforts with EBI and others. Associations will continue to provide training programs.

- Associations should play a vital advocacy role on behalf of their members with the MFA on policy issues that reflect market needs.
- Apart from regular technical training courses, the associations will begin providing workshops and business events for its members and other real estate-related associations.

**Deliverable:** Association strategy implemented with partner associations (Q1-4)

**Outcome:** Improved capacity and management of partner associations

The new association for real estate brokers may not have some of the outcomes for Year 2 since it is just being formed at the time of writing this work plan (November 2005).

#### **KRA 1.4: Stable Term Funding Established and Loans Originated**

This KRA includes EFS technical assistance pertaining to:

- Prudent lending and risk-management approaches for primary lenders
- Study on guarantee subsidy fund (GSF)

International best practices for primary lenders are covered by training programs and onsite technical assistance for the MFCs. The liquidity facility scheduled for implementation in Year 2 will need EFS assistance from Task 3. We completed a study and recommendations on the GSF in Year 1, and future involvement will be minimal.

##### **1.4.1 Identify and contact primary lenders and investigate current lending practices.**

###### **1.4.1.1 Capacity building of mortgage finance companies.**

EFS will continue to liaise with MFCs through bi-weekly meetings on business matters, problems, and obstacles in areas of credit, risk, finance, sales and marketing, legal procedures, registration, IT, and training. These meetings will result in solutions, work-arounds, or requirements that will help serve the mortgage industry. EFS will assist MFCs' capacity building by developing necessary manuals that will include operations, credit and loans, and policies and procedures. A credit and policy advisor will work with MFCs to develop the model manuals for underwriters in the field. We will assist El-Taamir Mortgage Company in drafting a business plan with the main objective of generating a high volume of mortgage lending. We will also assist the Egyptian Housing Finance Company to develop new products suitable for the Egyptian market.

**Deliverable:** Solutions to problems and obstacles in mortgage lending  
Credit, loan, and other operating manuals for MFCs (Q1)

**Outcome:** MFCs in stronger position to make loans according to best practices using high volume operations and systems

#### 1.4.1.2 Capacity building for bank mortgage lenders.

In Year 2 our work plan will target banks. EFS will develop a business strategy that will start by building close relationships with banks interested in mortgage finance. We may introduce the use of a real estate finance working group comprised of banks' senior management representatives and arrange monthly meetings. If this proves inefficient, we will maintain close relations with individual banks. In doing so, we will be able to identify banks' priorities and objectives related to the market, review their applied housing finance procedures, assist their mortgage department capacity building to ensure standardized documentation and procedures, and also assist them in developing business plans for their mortgage activities. We will have technical advisors assist banks in these tasks.

**Deliverable:** Plan to market EFS project services to banks (Q1)  
Database of mortgage-related activity (Q1-4)  
Bank participation in training, workshops, working groups, and other EFS services (Q1-4)

**Outcome:** Exchange of EFS services in return for improved data and understanding of bank activity

*Public awareness.* Public awareness plays a critical role in introducing the mortgage finance concept. We will establish arrangements with mortgage companies to benefit from their knowledge, findings, and feedback from previous marketing campaigns concerning consumer behavior. EFS will also conduct a mortgage demand analysis to identify consumer needs and preferences, and better determine potential areas for mortgage loans.

#### 1.4.2 Initiate quarterly check of loan data (against base line) with primary lenders and supervisory regulators to measure and monitor growth.

In Year 1, EFS developed and operationalized this activity. EFS is tracking loan data provided on a quarterly basis from MFCs.

**Deliverable:** Expanded loan data to include mortgage loans by banks and personal loans secured by housing units (Q2)

**Outcome:** Broader and better indicator of actual real estate financing

#### 1.4.3 Review current status of guarantee and subsidy fund programs.

In Year 1, EFS committed to review the current status of subsidy fund programs and investigate what, if any, adverse impacts these programs would have on Egypt's real estate finance market development. This activity grew in response to requests from the MOI and MFA to provide more substantial assistance in reviewing the existing GSF — an entity separate from the MFA, but chaired by the MFA chairman. EFS work in this area sought to enhance, rather than distort the market.

**Deliverable:** A report, *The Guarantee and Subsidy Fund: Goals, Options, and Recommendations*, a cash flow model, and follow-on reports (Completed.)

**Outcome:** Recommendations to re-organize GSF and focus guarantee programs on primary and secondary market initiatives designed to reach a broader segment of the market

#### **1.4.4 Investigate whether government objectives for the guarantee fund are met.**

If the government's objectives have not been met, determine what obstacles this presents for the development of primary and secondary markets for real estate lending.

**Deliverable:** Same as 1.4.3

**Outcome:** Same as 1.4.3

#### **1.4.5 Identify current investment vehicles and obstacles to investment in real estate assets.**

We will attempt to assess progress in the overall market and explore new tools and programs to activate the mortgage finance market in Egypt. See previous section on new program initiatives (KRA 1.1) and work by Task 1 and 3 on the liquidity facility.

### **KRA 1.5: Enhanced Capacity of Courts to Mediate/Adjudicate Real Estate Lending (enforce foreclosure)**

We will initially offer technical assistance to the Ministry of Justice (MOJ) to assist with judiciary regarding foreclosure issues. EFS has a commitment that the MOJ will proceed with foreclosure workshops using our materials during the first or second quarter of 2006. If the ministry approves, we plan to take a more active role by including a senior legal advisor from the United States in follow-on judiciary workshops, and to use variations of the materials for training clerks, lenders, lawyers, and other professionals.

#### **1.5.1 Review Real Estate Finance Law 148 and Executive Statutes.**

Completed under KRA 1.2.

#### **1.5.2 Review and assess to what level judges and lawyers understand the law as it applies to forced-sale situations.**

This activity was partially performed by the public awareness and communication team's survey of lawyers and lenders in Year 1.

#### **1.5.3 Organize training on legal principles and procedures.**

EFS has negotiated the following with the Ministry of Justice through its National Center of Judicial Studies (NCJS) with regard to deliverables. NCJS lawyers are currently reviewing our workshop materials and will provide written comments that will be incorporated into the final version. The first workshop will be arranged for foreclosure judges from the Cairo District Courts. Comments and observations (key input) from these judges will be incorporated into the workshop materials for a second

workshop with different judges. Clerks and other court officials may be involved in the second workshop. We will coordinate with NCJS and USAID's AOJS II project for a national rollout of foreclosure workshops for judges. Depending on negotiations with NCJS, variations of the workshop materials may be presented to groups of lawyers and, hopefully, lenders and other real estate professionals. NCJS is considering the extent to which an expat legal advisor will assist with the workshops.

**Deliverable:** **Coordinate final workshop materials with NCJS lawyers (Q1).**  
**Hold two judicial** foreclosure workshops in Cairo (Q2 and Q3). The timing of a workshop for lawyers is subject to approval by NCJS (TBD). Providing workshops for lenders and other real estate professionals is subject to NCJS approval (TBD).

**Outcome:** Make judges, court officials and lawyers aware of foreclosure issues and the importance of an efficient but fair judicial foreclosure process.

### **E. Level of Effort**

We plan to hire a senior resident mortgage finance advisor to replace the departure of one earlier this year. Kevin O'Brien will assume the role of legal advisor for Task 1 and continue as task leader. The new resident advisor will assume responsibilities involving the mortgage market, including financial, administrative and other tasks.

During year two, the following local advisors will continue in their respective roles: two senior financial advisors, one organization development specialist and two research assistants.

## SECTION II

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### **Task 2: Improve the Registration System for Urban Real Properties**

#### **A. Institutional Partners**

EFS has entered into bilateral agreements with the Ministry of Justice/Real Estate Publicity Department (MOJ/REPD) and the Egyptian Survey Authority (ESA). These institutional partners are categorized as the process owners and principal beneficiaries of EFS technical assistance under Task 2.

In addition, EFS will work closely with a number of cooperating institutions including the Ministry of State for Administrative Development (MSAD), municipalities in our two selected pilot districts, the Real Estate Tax Department (RETD) in the Ministry of Finance, the New Communities Authority for the 6<sup>th</sup> October “New Town” under the Ministry of Housing (MOH) and the World Bank.

#### **B. Overview of Year 1 Achievements**

EFS completed a comprehensive assessment of the existing legal framework and the operation and practice of urban registration. A seminal inception report entitled, *Property and Registration Law in Egypt: Current Operation and Practice* was prepared and delivered and reviewed with our counterparts in June 2005. Slide presentations on this report were prepared and presented to the MOJ, ESA, and the Mortgage Finance Authority (MFA), the American Chamber of Commerce (AMCHAM) Real Estate Committee, with copies distributed to other stakeholders such as MSAD and USAID. EFS also submitted a complementary technical report on issues surrounding the cadastre (survey and mapping of real estate to be registered) in June 2005.

EFS completed a detailed business area analysis report for both the deeds (Law 114/1946) and title system (Law 142/1964). The deed system remains operative, but unpopular in urban areas, whereas title registration has been applied in agricultural areas with moderate success since 1976. A technical workshop with our counterparts to review the inception report findings and recommendations was held in late June 2005.

One outcome from this technical workshop was a policy directive from the MOJ to EFS to first modernize, streamline, and automate the business processes involved in title registration, and then to implement and produce systematic delivery of titles to qualified property owners in selected cadastral zones within two urban districts in Greater Cairo. It is important to note that title registration will be introduced for the first time in urban areas, and the EFS project will be its vehicle. To facilitate these objectives, EFS carefully negotiated and executed bilateral memoranda of understanding (MOU) with the two key process owners – MOJ/REPD and ESA in August 2005. Under these agreements, and to support urban title registration, EFS and our partners reached agreement and made commitments to jointly fund the development of a Training Development Laboratory (TDL) and two model registry offices. Subsequently, the MOJ reviewed and approved the floor plan, equipment list, and specifications for the TDL based on an EFS technical report. Bid documents are under

finalization by IT team and the procurement phase is now set in motion with the objective of having the TDL operational by May 2006. MOJ/REPD have also reviewed and approved the prototype floor plan and equipment list for the two model registry offices. Site selection of the two model office locations are under finalization and are the responsibility of the MOJ.

Our MOU with MOJ/REPD designated Nasr City and Maadi as urban districts in which EFS operate. However, in November 2005, EFS received verbal confirmation that 6<sup>th</sup> October will replace Maadi. Written confirmation has been requested and is in process.

EFS completed a business process reengineering report for the title system focusing on subsequent transactions. No reengineering of the deeds system was undertaken in compliance with the MOJ's policy directive to focus solely on title registration. Based on the business process reengineering report and the inception report, the MOJ and ESA have agreed to create a one-stop point of customer service at the model registry office. Technical staff from the Egyptian Survey Authority's district offices will be amalgamated with REPD personnel within each model registry office. In addition, notary publics will be assigned to each model registry office. This administrative reform reinforces and supports integrated work processes derived from the business process reengineering report and will result in improved customer service.

EFS is currently preparing a preliminary operational plan and field methodology to conduct systematic first registration to collect data and documentation to support ownership claims to create the initial register of property owners. This plan includes three components:

1. Public awareness, education, and outreach to the affected occupants/owners within selected cadastral zones.
2. Field survey services to identify all public and private parcels, buildings, and apartment units using a unique numbering system to create cadastral index maps/building plans for the real estate to be registered. Approximately 30,000 real estate properties or objects (apartments, villas etc.) located in selected cadastral zones within 6<sup>th</sup> October and Nasr City will be surveyed.
3. Field services to collect documentation to support ownership claims in the selected cadastral zones.

EFS has proposed a public/private partnership for the preparatory phase of systematic first registration. Private companies working in collaboration with and under the direction of REPD and ESA will be awarded performance-based contracts by EFS to perform these services. Preliminary discussions with our counterparts on the operational plan and field methodologies are ongoing with plan finalization scheduled for late first quarter of 2006.

EFS sponsored a 13-person delegation representing Egypt to attend a regional symposium, *Land Registration in the Arab World: Challenges and Ambitions* in early September 2005 in Jordan.

Approximately 130 representatives attended the symposium from 19 Arab countries, as well as international experts from Germany, The Netherlands, Greece, Hungary, Spain, China, and the United Kingdom. The Egyptian delegation was composed of key executives and senior management from government agencies involved in property registration, including the

Ministry of Justice, the Real Estate Publicity Department, the Egyptian Survey Authority, the Ministry of State for Administrative Development, and the Ministry of Communications and Information Technology.

The symposium served as a valuable platform to introduce best practices and institutional models, and to confirm the international trend toward title registration and the importance of the cadastre within title registration to the two “process owners” and principle EFS counterparts, namely MOJ/REPD and the ESA. EFS also sponsored the participation of two other ministries that coordinate registration programs. The Ministry of Communication and Information Technology is addressing the development of the rural cadastre in agricultural land titling, and the MSAD recently completed an initial experimental project in urban registration targeting the district of Dokki in Giza.

The Egyptian delegation presented four papers on various land registration issues that were warmly received.

EFS completed its data acquisition and prototype survey of six blocks located in Nasr City and Maadi. The prototype survey tested a number of surveying methodologies to determine the most cost effective method for the preparatory phase of first registration and subsequent replication and rollout phase using World Bank funds.

Task 2, working closely with the EFS Training Department, prepared a list of courses to support implementation of title registration. A training matrix and curriculum of courses for Year 2 was prepared and adopted.

### **C. Policy and Institutional Environment**

It is important to note that two registration systems are operative in Egypt. The complex and unpopular manual deeds system will continue to operate in urban areas until title registration is progressively introduced. Moreover, title registration cannot occur without a decree from the minister of justice designating the specific areas (cadastral zones) in which title registration will become operative. MOJ has tasked EFS with the policy directive to conduct the preparatory phase of title registration in two urban districts resulting in an initial output of approximately 30,000 titles. As a consequence, recent developments and property owners outside the designated cadastral zones in Nasr City and 6<sup>th</sup> October remain within the cumbersome deed system. Given the EFS priority objective for creating a primary mortgage market and the origination of a reasonable volume of mortgages by lenders, remedial steps to upgrade the deeds system have merit and remain a GOE priority. Task 2 will prepare an operational policy paper and remedial action plan to simplify and upgrade the efficiency of deed registration in Quarter 1.

With the decision to include 6<sup>th</sup> October as a designated district, new stakeholders are introduced. EFS will establish a working relationship with the New Communities Board for 6<sup>th</sup> October to ensure results. EFS project management will seek the creation of a project-wide advisory or steering committee to resolve interagency coordination issues and expedite approvals to enable all tasks within EFS to proceed. It is important that EFS have a powerful “champion” within government and the prime and obvious candidate remains the minister of investment.

To avoid ambiguity with the existing MOU between MOJ/REPD and EFS, the GOE should provide written confirmation of the 6<sup>th</sup> October as a designated area with written concurrence from MOJ specifying 6<sup>th</sup> October as a replacement district for Maadi.

The role of MSAD in the EFS project remains uncertain and undefined. The prime minister has mandated the minister of state for administrative development to formulate a national strategy and program for urban registration. MSAD did complete an experimental registration project in Dokki in 2005 with uncertain results. The Egyptian Survey Authority (ESA) did not have an active role in the Dokki project and tax maps generated by the Real Estate Taxation Department were used in place of cadastral index maps. Furthermore, no ministerial decree has been issued confirming Dokki's status as a title area. However, MSAD remains a key and major stakeholder in registration.

Systematic first registration for title has not been successfully implemented in the past in agricultural areas. One problem is that REPD staff receives little or no training on the procedures pertaining to systematic registration, particularly onsite adjudication. Systematic first registration requires operating budgets to support field activities needed to generate an accurate initial schedule of titles for qualified owners. These services should not be fee-based, as imposing fees results in resistance to participate by affected communities. The issue of funding the cost of first registration (initial register of owners) and setting/charging fees for a range of subsequent services/transactions needs to be clarified and resolved.

Finally, the EFS registration component is predicated on the assumption that World Bank funding will be available with loan effectiveness in 2006 to ensure continued rollout and expansion of title registration into other urban areas. Confirmation that the proposed loan component to fund production cost of registration will become effective in 2006 remains a priority.

#### **D. Year 2 Planned Activities**

*Review of objectives.* Our principal task and policy directive from the MOJ is to improve, modernize, and automate the title registration system for urban real properties. The reform and modernization of the system requires a complex combination of technical assistance to the Government of Egypt in policy formation, regulatory and legal reform, administrative system design and implementation, dataset acquisition and processing, design of software and hardware platforms, public awareness, and training intended to:

- Reduce the delays, complexities, and costs of real property registration and other obstacles to the formalization of ownership of urban land and real estate
- Provide a certificate of title as the proof of ownership and subordinate interests in land and real property units, replacing a variety of handwritten documents
- Ensure the reliability of the system for timely registration and release of liens on property by ensuring that appropriate forms for real estate finance are developed and that appropriate procedures exist for their registration and for the prompt registration of subsidiary notices, orders, and removals of liens
- Remove the requirements of repetitious surveys for the registry of property interests and transactions (except when they change the parcel or unit by

subdivision, consolidation, or spatial adjustment) and outsource professional property survey work on a competitive basis

- In the two model offices or in an appropriate related institution (court, tribunal, or municipality), establish mechanisms by which people who possess defective titles to land and real property units can perfect their ownership or other rights. Develop simple procedures for administrative hearings or adjudication, standards of proof, and subsequent refinement of legal documents and registry records.

Year 2 activities represent a peak level of effort and demand for EFS technical services in our four-year base period of services. Year 2 will see EFS operational in two model offices and a systematic first registration set in motion for 30,000 units in two urban districts supported by a comprehensive training program conducted at the TDL. The procurement cost to make the TDL and two model registry offices operational fall into Year 2, as do the cost of upgrades to two EPO offices. System development for the automated title registration system and cadastral application are also scheduled for completion and delivery in Year 2. The operational cost to support field services to create the initial schedule of titles for approximately 30,000 units is also in our Year 2 planned budget. Key assumptions in the work plan are that both MOJ/REPD and ESA will agree to augment staff resources by outsourcing field services for data collection on ownership claims and collection of cadastral data to private companies. ESA has agreed to permit the outsourcing of field survey services to the private sector under technical standards and quality controls set by ESA. Discussions with MOJ/REPD on this issue are ongoing.

## **KRA 2.1: Operating Framework and Policy Development to Support Introduction of Title Registration in Urban Areas**

### **2.1.1 Bilateral MOUs with Ministry of Justice/Real Estate Publicity Department and the Egyptian Survey Authority.**

Completed.

### **2.1.2 Establish advisory/steering committee and working groups (as needed).**

#### **2.1.2.1 EFS project management will assist the minister of investment in the creation of a project-wide advisory/steering committee.**

The minister of investment will determine the composition, membership, and duties of the committee, which will represent key stakeholders from the public and private sectors. The minister shall appoint the members. The committee shall serve as a group under the coordination of the minister of investment to act as a forum to resolve any issues that may arise, provide guidance to the EFS team, and facilitate access to key institutions, data, staff, and processes related to the performance of EFS tasks.

The committee has the following objectives:

- Provide a single coordinated body that can represent the larger body of government and to ensure that all interests, concerns, and viewpoints regarding EFS project objectives are considered and duly evaluated

- Provide an efficient mechanism for developing and adjusting government policy to support EFS project objectives
- Provide advice and guidance and, where applicable, offer expert interpretation of the applicable laws, regulations, operational policies affecting EFS tasks
- To decide whether subcommittee work groups are required to facilitate the review and assessment of technical aspects of the project

**Deliverable:** Draft memorandum on composition, membership, and role of advisory/steering committee for review/action by the minister of investment (Q1)

**Outcome:** Creation and establishment of advisory/steering committee by the minister of investment (Q1)

#### **2.1.2.2 Advisory/steering committee review meetings.**

Prepare agenda items and briefing papers as required and attend committee meetings as directed on issues pertaining to urban registration.

**Deliverable:** Briefing papers as required (Q1-4)

#### **2.1.3 Authorization to commence work on preparatory title registration at two registration districts.**

Prepare and finalize cadastral zones (Nasr City and 6<sup>th</sup> October or Maadi). Review, assess, and obtain MOJ and ESA approval for selected cadastral zones. Prepare operational plan and identify methodologies and resources required to undertake the preparatory phase of title registration.

**Deliverable:** Draft operational plan for first registration (Q1)

#### **2.1.4 Assessment of current registration practices.**

Completed.

#### **2.1.5 Identify GOE objectives on short-term priorities for urban registration to include best use of donor resources.**

Assist MOJ and ESA in developing proposals for program and component funding under the proposed World Bank loan. Assist identify urban areas and registry offices that are targets for production cost financing under the World Bank loan.

**Deliverable:** Preparatory Notes for MOJ/REPD and ESA to discuss/review directly with World Bank (Q1-3)

#### **2.1.6 Survey of customer attitudes.**

Completed.

#### **2.1.7 Reengineer, simplify and standardize business processes.**

Completed.

### **2.1.8 Training needs assessment to support real property registration.**

Completed.

### **2.1.9 Comparative analysis of accepted best practice and institutional models in real property registration**

Deferred – may be reevaluated and contained in Year 3 Work Plan

### **2.1.10 Observational study tour for GOE senior officials to assess best practices and institutional models.**

Organize and conduct an observational study tour for senior government officials to assess case examples of countries that have recently undergone transition from deeds to title, what policy, institutional and legal reform measures were taken, how automation was planned and introduced, how are the cadastral and legal rights components integrated, what fee structure is used, how was the initial register created, and evaluation of customer response to these initiatives. Determine whether continued association with the institutions visited can be beneficial through cooperative twinning agreements.

**Deliverable:** Observational study tour (Q2 or 3)  
Report on findings and recommendations. (Q3 or 4)

**Outcome:** Better informed policy makers.

### **2.1.11 Assess existing regulatory and legal framework.**

Completed.

### **2.1.12 Detailed assessment and proposals for legal and regulatory change.**

- Prepare and submit Draft Regulation on Divided Co-Ownership of Immovable Property
- Prepare and submit proposed legal amendments to Title Law 142/1964
- Prepare and submit proposed amendments to Executive Regulations for title registration.

**Deliverable:** Various draft Executive Regulations and draft regulation on Divided Co-ownership; Proposed amendments to Law 142/1964 (Q1-4)

### **2.1.13 Review proposed amendments to Law and regulatory reform.**

With MOJ support and approval create a Legal Review Drafting Committee to review/assess/modify both proposed legal amendments to Law 142/1964, and proposed amendments to Executive Regulations. (Q2)

With REPD support and approval create a REPD Technical Review Committee to review/assess/modify and adopt Technical Instructions to REPD staff on title

registration. REPD publish and gazette the revised/new Technical Instructions. (Q2 and ongoing)

Work with ESA Chairman and his designated representatives to review/assess/modify Technical Instructions to ESA staff on the cadastral component and services related to title registration. ESA publish and Gazette the revised/new Technical Instructions. (Q1 and ongoing)

**Outcome:** Legal Review Drafting Committee and technical instructions.

#### **2.1.14 Draft amendments to Law, executive regulations and instructions.**

Legal Review Drafting Committee to formulate draft amendments to Law 142/1964 for submission to the minister of justice.

Legal Review Drafting Committee to formulate a comprehensive package of Executive Regulation reform for submission to the minister of justice.

**Outcome:** Draft amendments to Law and Executive Regulations.

#### **2.1.15 Adoption of revised/new executive regulations.**

The minister of justice to promulgate, publish and gazette revised/new Executive Regulations

**Outcome:** Revised Executive Regulations

#### **2.1.16 Submit proposed amendments to Law 142/1964 for Cabinet review.**

Minister of justice presents for Cabinet review, proposed legal amendments to Law 142/1964 and a summary of Executive Regulation reform measures adopted by MOJ to support title registration. Cabinet decision made to submit proposed legal amendments to Parliament with timetable for approval.

**Outcome:** Amendments to Law 142/1964

### **KRA 2.2: Redesign and Automation of Business Processes for Title Registration in Urban Areas**

Activities 2.2.1 through 2.2.7, as presented in the Year 1 work plan, have been completed.

#### **2.2.8 Analyze current status of paper records for cadastral records.**

We will briefly assess the current status and procedures for document storage, archival, and retrieval of cadastral records at ESA offices. We will also make recommendations on rehabilitation of paper archives and appropriate scanning and computer based indexing.

**Deliverable:** Brief technical report on improved document management (Q1)

### 2.2.9 Address functionality requirements in proposed applications, their design, architecture, reliability, flexibility, and scalability.

The automated title registration system should support all business workflow and daily administrative functions performed at the model registry office for subsequent transactions. The system should be capable of providing extracts from the registry for use by other governmental agencies to applicants and general public enquiries, various monitoring reports such as staff productivity, applications in progress, registered titles, and financial account summaries on collected fees. Technical requirements include:

- Rule-based configurable workflows to automate everyday activities of model title registry office
- Configure user management for defining user access rights to the modules, operations and data
- Functionality for automatic fee calculation and collection for different transaction types
- Functionality for scanning all incoming documents submitted by applicants, and outgoing documents generated internally by the system
- Ability to generate all outgoing paper documents required by law, including financial receipts and certificates of titles during registration
- Ability to generate various reports on registry content, staff productivity, and workload in process
- Execute automatic regular scheduled backups and replications
- Ability to provide authorized users with necessary information related to the property and its associated rights, including browsing of registry content and viewing copies of scanned images
- Open programming interfaces (API) for integration with external systems
- Easily scalable, modular system capable of being easily expanded and implemented in other registry offices throughout Egypt

**Deliverable:** Functional specifications for title registration system (Q1)

### 2.2.10 Acquire and configure automated systems to capture, maintain, and manage survey data and cadastral information.

We will customize a geographic information system (GIS) to capture in digital form available cadastral information on private and public parcels, buildings, and apartment units for use by ESA provincial offices with links to model registry offices. Basic functionality includes generation of cadastral maps, parcel diagrams, building plans, and apartment units when available, and cadastral operation reports such as field survey, subdivision and consolidation of parcels, and scheduled workload for registry offices.

**Deliverable:** Customized GIS application (Q2-3)

### 2.2.11 Acquire and configure automated systems to capture, maintain, and manage title records information.

We will customize the title registry system for first registration and creation of initial register and subsequent transactions (involving approximately 40 transaction types). In addition, the title registration system will provide extracts from the register, generation of various reports, and open interfaces to allow integration with other agencies. Data capture systems for first registration will be designed to facilitate data collection from field visits and subsequent migration and data load into the title registration system at model offices.

**Deliverable:** Customized title registration system for first registration and subsequent transactions (Q2-3)

## **KRA 2.3: Implementation Plan for Two Model Office Locations**

### **2.3.1 Equipment procurement and logistics plan for Training Development Laboratory (TDL).**

Prepare bid tenders for IT procurement, site preparation, and furniture for TDL. Award tenders to qualified bidder. The EFS IT Team will manage and supervise the bid tender and awards for the IT component.

**Deliverable:** Bid tender and awards for IT component (Q1)

**Outcome:** TDL operational

### **2.3.2 Site preparation/refurbishment and equipment installation at TDL.**

Prepare bid tenders for site preparation at TDL facility. Award tender to qualified bidder. Prepare/refurbish TDL facility site.

**Deliverable:** Bid tenders for site preparation at TDL facility (Q1)

**Outcome:** TDL operational

### **2.3.3 Select and lease two model office sites for preparatory title registration.**

The MOJ will arrange and confirm leased office space for two model offices based on the approved floor plan layout for model offices.

**Outcome:** Two leased office spaces (Q3)

### **2.3.4 Equipment procurement and logistics plan for two model offices and EPO offices.**

Prepare bid tenders for IT procurement, site preparation, and furniture for model offices and EPO offices. Adapt/reconfigure prototype floor plan to actual leased floor space and finalize equipment quantities and specifications for model offices. Prepare documentation for information resources management approval with EFS IT Team support. Prepare bid documents and bid tender. Award contracts to qualified bidders. EFS IT Team will manage and supervise bid tender and awards for IT component.

**Deliverable:** Bid tender and awards for IT component (Q3)

### 2.3.5 Site preparation/refurbishment and equipment installation at model offices and EPO offices.

Prepare bid tenders for site preparation at model offices and EPO offices. Award tenders to qualified bidders. Prepare/refurbish model office and EPO office sites.

**Deliverable:** Bid tenders for site preparation at model offices and EPO offices (Q3)

### 2.3.6 Training program to support first and subsequent registration.

Design a multi-component training program to support first registration and subsequent transactions at the two model registry offices. Four components/training modules are identified and presented in the annex of this work plan. Task 2 will prepare the course materials, and the EFS Training Department will coordinate the delivery of training and course materials. We will design and implement four training modules in Year 2:

1. Basic training on computer skills for REPD staff on operating systems, office software, data capture and entry, Internet, e-mail, etc. Basic training for system administrators, including network administration, security and user protocols, backup and restoration, etc.
2. Operational training – a series of courses on field interviewing techniques, field survey procedures and standards, field data collection and documentation standards, field adjudication techniques, operation and maintenance of the cadastre system software, operation and maintenance of the title registration system, and customer service.
3. Training on survey equipment – short courses on use and maintenance of total stations and GPS equipment.
4. Training of trainers to ensure sustainability of the training program.

In addition to formal training, EFS will organize, coordinate, and deliver an observational study tour to support and reinforce policy development for title registration and one Cairo-based international seminar on best practices in the administration and delivery of registration services.

**Deliverable:** Observational study tour (Q2 or 3)  
**Seminar on best practices** in the administration and delivery of registration services (Q2)  
 Comprehensive training program with training manuals (Q2-3)

**Outcome:** Training curriculum and course materials completed

### 2.3.7 Housing typologies assessment and selection of cadastral zones in two model office locations.

In collaboration with Task 1, we will finalize the selection of cadastral zones in Nasr City and 6<sup>th</sup> October. Within the housing typology assessment, we will identify areas

that appear to have the most demand/potential for mortgage finance based on defined criteria provided by Task 1. We will quantify in map form the number of parcels and buildings that fall into each cadastral zone, its boundaries, and estimated number of apartment units. Total number of cadastral objects (real estate units) to qualify for systematic first registration in two designated districts will not exceed 30,000 units. We will also review and discuss with and obtain approval from both MOJ/REPD and ESA on the selection of cadastral zones.

**Deliverable:** Housing typology and market assessment report for Nasr City, Maadi and 6<sup>th</sup> October. The report will identify areas (cadastral zones) within each district that are prime candidate areas for residential mortgages (Q1)

**Outcome:** Selection of cadastral zones

### 2.3.8 Prepare operational and resource plan to implement first registration.

Prepare operational and resource plan for field services to collect data to enable the creation of an initial register of property owners in approved cadastral zones. Design and utilize field methodologies that support mass formalization and collection of data and documentation to support ownership claims. Design public awareness, education, and outreach strategies to encourage public participation in first registration. The plan components are:

1. Public awareness, education, and outreach to the affected occupants/owners within selected cadastral zones. The Public Awareness and Communication Team will assist in the design of the communication campaign and will implement the agreed campaign in collaboration with Task 2.
2. Public awareness campaigns, information booklets, and use of media and delivery mechanisms for brochures/booklets.
3. Field survey services to identify all public and private parcels, buildings, and apartment units using a unique numbering system to create cadastral index maps and building plans for the real estate to be registered. Approximately 30,000 real estate properties or objects (apartments, villas etc.) located in selected cadastral zones within 6<sup>th</sup> October and Nasr City will be surveyed.
4. Field services to collect documentation to support ownership claims in the selected cadastral zones.

**Deliverable:** Operational and resource plan for field services – first registration (Q1-2)

#### 2.3.8.1 Prepare budgets, bid tenders, and award contracts to private companies to perform field survey services.

The use of private sector survey companies to perform limited field survey work needed to identify parcels, buildings and apartment units is approved in EFS' bilateral agreement with ESA. EFS will prepare, and ESA will approve, technical guidelines/instructions to perform these services. This activity will require the

establishment of a collaborative quality control group consisting of appropriate ESA and EFS technical staff. EFS will assist ESA to establish short and long-term accreditation standards for private sector personnel and will support these standards with a series of courses held at ESA's training facility. The objective is to build capacity within ESA to provide quality assurance and quality controls associated with the introduction of private sector surveyors in the cadastral domain. Private companies will be contracted to survey and collect data to generate in digital form cadastral maps, parcel diagrams, building plans, and apartment units. All private sector personnel will undergo training at ESA's training facility on a fee basis.

**Deliverable:** Technical guidelines/instructions to perform field services by private sector personnel and quality assurance/quality control and accreditation standards (Q2)

#### **2.3.8.2 Prepare budgets, bid tenders, and award contracts to private companies to collect data on ownership claims.**

We have proposed a public/private partnership to perform field services to collect documentation to support ownership claims in selected cadastral zones. REPD would assign designated staff (either notaries or deputized officials) to work with private sector personnel to collect data in face-to-face interviews with occupants/owners and developers. All private sector personnel will undergo training on the implementation of title registration in urban areas at the TDL on a fee basis. REPD designated staff will be trained to be conversant, helpful, and supportive to applicants in completing ownership claim documents. To facilitate data capture, flat bed scanners and laptop computers will be utilized under a cost provision in awarded contracts.

**Deliverable:** Performance-based contracts to collect data on ownership claims (Q2-4)

**Outcome:** Training of private sector personnel at both the TDL and ESA.

#### **2.3.8.3 Prepare budgets, bid tenders and award contracts to private companies to perform public awareness, education, and outreach.**

Award performance-based contracts to private companies to perform public awareness, education, and outreach services to affected occupants/owners within selected cadastral zones. All private sector personnel will undergo training at the TDL on a fee basis. They will be trained to be conversant, patient, and informed on promoting the benefits of title registration to the public.

**Deliverable:** Performance-based contracts to perform public awareness, education, and outreach (Q2-4)

#### **2.3.8.4 Scan, update, and organize existing deed records.**

Provide detailed maps on selected cadastral zones to MOJ, REPD, and Legislation and Development Information Systems (LADIS) and request a search of archived digital deed records in each cadastral zone. Request LADIS to extract and organize deed records by cadastral zone.

**Deliverable:** Digital extract of deed records (Q3)

**2.3.9 Evaluate, refine, and modify automated title registration system as necessary (ongoing six-month period).**

- Deliver and install a customized automated title registration system for model registry offices.
- Deliver all operational documentation in Arabic.
- Provide technical assistance in the operation of the system and in the definition of its working procedures.
- Manage and coordinate the activities during the implementation of the system.

**Outcome:** An operational title registration system in two model offices (Q4 and Year 3)

**KRA 2.4: Replication Plan for Urban Areas supported by GOE/World Bank Funds**

**2.4.1 Assist both MOJ/REPD and ESA to identify urban areas and components for funding under the proposed World Bank loan.**

**Deliverable:** Preparatory notes/briefing papers for discussion with World Bank (Q1-3)

**KRA 2.5: Mechanisms to Resolve Land and Real Property Disputes**

**2.5.1 Review and assess case load and cases involving property disputes in the civil courts.**

**Deliverable:** Technical report on assessment of property-related disputes in the civil courts (Q4)

**KRA 2.6: Potential Scope for Private Sector Participation in the Provision of Property Registration Related Services**

**2.6.1 Identify long-term strategy to create and establish private sector capacity and role in the provision of cadastral survey and mapping services.**

**Deliverable:** Discussion paper and strategy on privatizing survey services (Q2)

**E. Level of Effort**

To support the above work plan, EFS has identified the following additional long-term positions.

Implementation and field operations supervisor (Egyptian national) to design, organize, and manage the award of performance based contracts to the private sector. Other duties include monitoring all data collection services in the field and coordination of the selection,

recruitment, and induction of REPD, ESA, and private sector personnel into selected training courses. The management of the collection, formatting, and computerization of all field data and subsequent migration of these data into the title registration system and cadastral GIS application is also the responsibility of the field operations supervisor. We have proposed a 15-month contract commencing April 1, 2006.

To support the first registration phase of title registration and subsequent start-up of operations in two model registry offices and two EPO offices, we have proposed the addition or extension of contracts for the following personnel:

- 12-month extension for Mr. Samer Lotfy in the position of field operations and model office supervisor. Mr. Lotfy will work three days per week until such time the model office is operational and then be full time.
- 12-month extension for Eng. Fatma Kader in the position of field operations and EPO office supervisor. Eng. Fatma will work 3 days per week until such time the EPO office is operational with our new systems and then be full time.
- Recruitment of one other EPO office supervisor once that office becomes operational (estimate is August 2006).
- Recruitment of a legal advisor/adjudication specialist commencing March 2006 under a 12-month contract. The legal advisor would then split his/her time between each model office once operational. (Q3)
- Recruitment of four IT system managers for onsite placement at two model office and two EPO office locations once operational.(Q3)
- Recruitment of four IT system assistants for onsite placement at two model office and two EPO office locations once operational .(Q3)
- Recruitment of two translator/interpreters dedicated to Task 2 by March 2006.



## SECTION III

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### **Task 3: Develop Framework and Procedures for Secured Lending and New Financial Instruments**

#### **A. Institutional Partners**

Principal institutional partners for Task 3 are the Capital Market Authority (new instruments), the MOI Senior Advisor (factoring and leasing), the Mortgage Finance Authority (mortgage liquidity facility), the General Authority for Investment and Free Zones (leasing and collateral registry), the Central Bank of Egypt (new instruments), the Ministry of Justice (collateral registry, court reform), and the Ministry of Finance (bond market).

Other cooperating partners may include the Cairo and Alexandria Stock Exchange (CASE), Misr for Clearing, Depository and Registry (MCDR) for new financial instruments: the Egyptian Insurance Supervisory Authority (EISA), National Investment Bank (NIB), Commercial Registry Authority (CRA) for the collateral registry: National Center for Judicial Studies (NCJS) via the CMA for judges workshops, and financial market associations such as the Egyptian Capital Market Association (ECMA), Egyptian Investment Management Association (EIMA) and the Bond Dealers Association (BDA).

#### **B. Overview of Year One Achievements**

The first year of EFS saw the introduction of its first new financial instrument: asset-backed securities. Completing USAID's work with the CMA between 2001 and 2004, EFS worked with the CMA and two potential issuers under the new securitization provisions of the Capital Market Law and the executive regulations. EFS helped bring about two business deals under the new provisions and conducted several workshops on securitization with issuers, financial intermediaries, custodian banks, investors, and judges.

Two issues of such asset-backed securities will serve as pilot cases setting standards and testing the new law and regulations. In November, the car leasing company Contact filed with the CMA its prospectus for the public securitized issue of LE 140 million of LE 148 million current value of car loans, with the first Egyptian special purpose vehicle ("Contact Securitization Company" with paid-in capital of LE 5 million). The Egyptian Arab Land Bank is currently preparing the prospectus for its GOE-guaranteed originator bond issue of around LE 500 million, secured by a real estate loan.

EFS' work with the CMA and the MOI in drafting rules for margin trading and short selling, raising awareness, and training intermediaries resulted in the issuance of a ministerial decree and CMA rules, bringing these trading tools, and a means of financing the sale and purchase of securities, to implementation readiness for the market.

Same-day trading was successfully launched in November 2005. EFS provided technical assistance to the CMA in drafting the rules for same-day trading and designed and conducted two courses to examine and license brokers to carry out same-day trading. As a result, the number of daily transactions on CASE increased from 14,000 to 26,000 transactions, and the daily trading value increased from LE 400 million to more than LE 1 billion.

EFS' work on secured lending finally began in the Fall 2005. Led by the MOI Senior Advisor, EFS developed a policy paper on factoring and drafted the "light touch" regulatory framework for factoring companies in November. This framework should ensure the credibility of players in this nascent sector while supporting its development. Following an industry-government workshop on leasing, EFS met with the leasing regulator GAFI and proposed a technical assistance plan for the legal and regulatory framework, training, public awareness, association building, and information technology procurement for the registry.

With the MFA liquidity facility task force, Task 3 took the initial steps to carry out the preliminary business plan developed by the World Bank for the MOI to establish a private sector mortgage finance and refinance facility. The Egyptian Liquidity Facility (ELF) will source funds for mortgage lenders and "liquefy" mortgage portfolios through securitization and secured bonds. Chemonics' experience in such facilities in Jordan and other emerging markets should bring experience and the benefit of lessons learned in implementing the facility suitable to Egypt's mortgage market, lenders, and regulatory framework.

With USAID's consent, EFS reallocated and dispatched long and short-term resources to the CMA to address the new chairman's top priority upon taking office: restructuring and capacity building. This additional deliverable, outside the Year 1 work plan, reassigned personnel to the restructured regulatory departments, planned the move of selected functions to new premises at the Smart Village, structured the new Filings and Information public window, and improved internal work flow.

### **C. Policy and Institutional Environment**

Recognizing that investors' choice of bonds remains limited, the CMA and the MOF are committed to an active government and corporate bond market and a deeper, broader financial market through the introduction of new instruments and mechanisms.

The MOI senior advisor and GAFI are dedicating sustained resources to rapidly facilitate access for businesses to non-bank finance through leasing and factoring.

The MFA is actively pursuing the stimulation and development of a secondary mortgage market with the establishment of the mortgage finance liquidity facility.

EFS will remain in close contact with USAID's technical assistance programs for the treasury operations of the MOF, to the judiciary, and to the counterparts EFS shares with TAPR II. We will also maintain contact with the European Union's programs to assist the CMA and with the World Bank and USAID DCA program for the mortgage finance liquidity facility, and also to finance SME's equipment purchases previously carried out pursuant to USAID's former Commodities Import Program.

### **D. Year 2 Planned Activities**

#### **KRA 3.1: Diversity of Financial (for Investors) and Financing (for Borrowers) Instruments Expanded**

##### **3.1.1 Liaise with the Inter-Industry Advisory Group on financial instruments.**

The Task 3 team will continue to liaise with the Capital Market Advisory Group established in Year 1 to help the CMA address matters related to recent or anticipated introductions of NFI. This advisory group of business associations, major institutional investors (such as insurance, pension, and mutual funds), financial advisors, lawyers, and public accountants, will be consulted regularly on:

- The ongoing needs of business and financial sectors for new forms of financing
- The prerequisites for new financial instruments
- Target groups of business institutions to introduce selected instruments and investigate impediments in their use
- Feedback on international standards, best practices, and proposed enhancements to the legal and regulatory framework and market infrastructure for the new instruments

The Egyptian capital market has to date focused on equities, and to a lesser degree on bonds, as investment securities, a source of enterprise capital and investment. The supply and demand for new instruments will only expand if the infrastructure is favorable. Businesses, financial intermediaries and investors' priorities for non-bank capital and investment should be determined, and the infrastructure developed accordingly pursuant to a strategy suitable to the Egyptian market. This would determine the joint course of action of the CMA and EFS for the next three years.

With the recent introduction of asset-backed securities through two pilot issues testing the regulations, the capital market can now look to money market instruments, the bond market, mutual funds, and other debt instruments.

**Deliverable:** Report of an assessment, strategy, implementation plan, and a three-year timetable for introducing new financial instruments (Q2)  
List of statutory provisions on investment policies governing institutional investors (Q1)

**Outcome:** Counterpart strategy to introduce new financial instruments

### 3.1.2 Conduct a series of workshops on new financial instruments.

In cooperation with the Advisory Group, EFS will conduct workshops and training programs to educate target investor and issuer groups on selected new financial instruments:

Workshops:

- Trading in new financial instruments (Q2)
- Factoring (Q2)
- Leasing (Q3)
- New instruments and foreclosure for judges. See 3.2.9
- Mutual funds (Q3)
- Dealers and institutional investors on GOE bonds, bills and repos (Q2)
- Removing impediments for institutional investors to invest in fixed-income securities (Q2)
- Credit enhancement applications to new financial instruments, with the Development Credit Authority (Q1)

As stated under 3.2.9, a separate workshop for judges will be held on new financial instruments.

**Deliverable:** Workshops and materials (Q1-4)

**Outcome:** A cadre of industry participants familiar with new financial instruments

### 3.1.3 Plan and execute public awareness campaigns.

With the Advisory Group, EFS will plan and implement public awareness campaigns to promote the new instruments introduced during the year to business institutions and the investing public. We will develop publications:

- Employee stock ownership plans (Q1)
- Short selling, margin trading (Q2)
- Same-day trading (Q2)
- Factoring (see 3.2.8.1) (Q2)
- Practitioner’s handbook on corporate finance (Q4)

We will also assist the CMA and our counterparts when they convene press forums on financial services and markets, and in complementing the CMA’s public relations efforts by the use of press conferences and communiques to inform the public of CMA-initiated developments regarding the capital market.

**Deliverable:** Five publications on new financial instruments (Q1-4)  
Two press forums (Q1 and 2)

**Outcome:** **Selected audience and** financial press familiar with new financial instruments

## KRA 3.2: Market and Regulatory Capacity Enhanced for New Instruments

### 3.2.1 Enhance the CMA market rules and regulations.

EFS continues to work with the CMA on existing and proposed rules and regulations governing the licensing of new instruments (e.g., repo market, money market) issuers’ financial and non-financial reporting obligations, financial intermediaries, the securities exchange, the over-the-counter market, and the securities clearinghouse.

EFS will propose, finalize, and comment on draft new financial instrument provisions of the Capital Market Law and enhance rules and regulations.

EFS will coordinate its actions with the MOF’s U.S. Treasury advisor on both the capacity for intermediaries to enter into repurchase transactions in GOE bonds (“repos”), and the CMA master repo contract, in order to increase activity and competitiveness in the bond market.

**Deliverable:** Draft regulations and rules for new financial instruments and market (Q1-4)

**Outcome:** Introduction of new financial instruments tailored to the needs and interests of businesses and investors

### **3.2.1.1 Develop internal CMA procedures manuals for new financial instruments.**

Part of Task 3's mandate is to develop procedures for new financial instruments. Documented procedures bring transparency, predictability, and fairness to the relationship between the regulator and the regulated; promote CMA institutionalization by recording processes and acquired experience; and shelter officials from requests for special treatment.

We will develop a new procedures manual for new financial instruments. We will also update existing manuals, such as the fixed-income securities manual, once the CMA adopts the rules on asset-backed securities proposed by EFS in mid-2005.

**Deliverable:** Internal procedures review manuals for new financial instruments (Q2)

**Outcomes:** Documented procedures of CMA review of securities issues  
Introduction of new financial instruments tailored to the needs and interests of businesses and investors

### **3.2.2 Enhance protection of investors in new financial instruments.**

Cancelled in Year 1.

### **3.2.3 Organize a study tour for the CMA, MOI, CASE, and MCDR staffs.**

Cancelled in Year 1.

### **3.2.4 Provide training for market regulatory and operational staff in the new rules and regulations.**

With the recognized course administrator, EFS, the CMA, and NASD will design and produce training material to serve as certification, leading to a CMA license to deal in certain new financial instruments:

- Assets-backed securities (Q2)
- Bonds (Q2)
- Margin trading, short selling, same-day trading (Q2)
- Mutual funds (Q4)

EFS and NASD will also design for CMA officials a study tour of the U.S. market for the regulation of new financial instruments.

**Deliverable:** Observational study tour for CMA officials (Q1).

A qualifying course for each new financial instrument (Q1-4)

**Outcome:** Regulators' and intermediaries' staffs trained to deal in new financial instruments

**3.2.5 Establish a dual accreditation system.**

Cancelled in Year 1.

**3.2.6 Enhance the regulatory framework for mutual funds to conform to international standards.**

EFS will review with the CMA, with emphasis on the creation of real estate funds, the recommendations made several years ago by British advisors under their technical assistance program, following their assessment of the legal and regulatory framework of mutual funds.

**Deliverable:** Recommended amendments to the law and regulations for mutual funds (Q2)

**Outcomes:** A revised legal and regulatory framework governing mutual funds

**3.2.7 Remove impediments on activating the supply and demand for fixed-income securities.**

See Activity 3.1.2.

**3.2.8 Enhance the legal and regulatory framework for financial leasing and factoring.****3.2.8.1 Factoring**

EFS, with the office of the Senior MOI Advisor on financial services, has assessed the current legal provision on factoring and has identified policy issues and proposed regulations pertaining mostly to licensing and rules. EFS will work with the relevant regulator to implement the proposed legal and regulatory framework.

For domestic factoring, Egyptian commercial law provides the necessary legal foundation, while the regulations should ensure that certain minimum licensing requirements are met. For international factoring, Egyptian factors should also adhere to multilateral conventions.

As stated under 3.1.3, EFS will additionally assist in developing a publication and holding one press forum on factoring.

**Deliverable:** Policy paper on factoring (Q1)  
Final regulations and rules for factoring (Q1)

**Outcome:** Legal and regulatory foundation of factoring

**3.2.8.2 Leasing**

Financial leasing reform must address two aspects: the legal and regulatory foundation and the operational aspect of the registration of the lessor's interest in the assets leased. This KRA is therefore related to KRA 3.3, with respect to the collateral registry itself, also utilized for financial leases, and this task is part of the strategy to build a full-fledged collateral registry starting with existing functions, such as financial leasing.

The workshop on financial leasing held on November 13, 2005, in which GAFI and leasing companies participated, discussed the assessment of the legal, regulatory, and operational framework of financial leasing and recommended specific actions to remove impediments to the development of this form of finance. The assessment and recommendations are in the MOF's July 2004 publication *The Application of Leasing within the Small and Medium Enterprises Sector*. EFS and GAFI will reach an agreement on an action plan and implement the recommendations.

**Deliverable:** Draft amendments to regulations (Q2)  
Operational changes to the registry, including title registration replacing deeds registration (Q3)  
Internal/external registration procedures manual (Q3)

**Outcome:** Legal and operational reform of leasing

### 3.2.9 Workshops for judges on new instruments, laws, and regulations.

In coordination with the NCJS via the CMA, EFS plans to conduct another workshop this year for judges on new financial instruments.

**Deliverable:** Workshop for members of the judiciary on new financial instruments (Q4)

**Outcome:** Judges familiar with new financial instruments

### 3.2.10 Establish an operational Mortgage Finance Liquidity Facility.

The MFA requested EFS' assistance to establish the regulated Egypt mortgage finance and liquidity facility, pursuant to the World Bank's proposed business model. The private sector facility would raise fresh funds for the primary mortgage lending market from bond offerings, and support the secondary mortgage market by securitizing mortgage portfolios.

The assistance initiated in 2005 by Task 3 and closely coordinated with the MFA, the World Bank, and the Task 1 team encompasses the regulatory compliance of a liquidity facility, its five-year business plan, the corporate charter, an offering memorandum to equity investors in the facility, and policies and procedures manuals (investment, audit, etc).

The facility should be structured so as to be eligible for World Bank and USAID DCA financing and credit enhancement, and to meet bond rating standards required for its eventual public bond and MBS offerings.

**Deliverable:** Five-year business plan (Q1)  
Manual of regulatory compliance (Q1)  
Investment policy (Q2)  
Proposed organizational structure (Q2)  
A private equity offering memorandum (Q1)

**Outcome:** An operational regulated mortgage liquidity facility with proper investment policy

### **KRA 3.3: Modernized Collateral Registry in Operation to Secure Interest in Personal (Movable) Property**

#### **3.3.1 Establish collateral registry working group.**

The working group should include the CBE, banks union, MOJ, leasing companies, and business associations. The group, cognizant of collateral registry benefits and operations, will provide EFS with initial guidance and will assess business lenders' and borrowers' collateralization needs, including leasing, current status of and obstacles to security of interests in personal property and registration. The group will also select groups for collateral registry training and public awareness activities.

**Deliverable:** A working group of registry of policy makers is constituted  
Seminar on principles of secured lending, model laws, and best practices (Q1)  
Seminar on collateral registry: business and IT requirements of a modern registry (Q2)  
Observational study tour of one or more relevant model collateral registries (Q2)

**Outcome:** A policy making group

#### **3.3.2 Present an overall vision for the collateral registry.**

See Activity 3.3.1.

#### **3.3.3 Assess existing registry.**

We will assess the existing commercial and leasing registries for the registration of ownership and security interests, procedures and processes, laws and regulations, status of automation and IT capabilities, obstacles, and opportunities and provide recommendations to create a modern state-of-the art registry.

**Deliverable:** Assessment report (Q2)

**Outcome:** A strategic decision on reform

#### **3.3.4 Develop a strategy and implementation plan.**

Based on the decision made by the working group and EFS following the assessment, we will develop a strategy and implementation plan to establish a collateral registry, including recommendations on business specifications, hardware and software specifications, and legislative amendments.

**Deliverable:** A detailed plan to implement the strategy (Q4)

**Outcome:** Strategy to establish a collateral registry for implementation

### **KRA 3.4: Enhanced Capacity of Courts to Mediate Secured Lending Disputes**

#### **3.4.1 Review possible restructuring of courts to deal with secured-lending transactions.**

EFS will consider alternatives such as the creation of a separate administrative unit or mediation unit. A roundtable with judges would explore the foreclosure for moveable property when used as collateral for secured lending, to assist in seeking such alternatives.

**Deliverable:** Comparative review of dispute resolution models and recommendation (Q3)

**Roundtable with foreclosure judges (Q2)**

**Outcome:** Models of administrative or judicial resolution of disputes identified

**3.4.2 Recommend draft legal framework.** (for the above unit, as needed)

**Deliverable:** Draft law, regulations, and rules (Q4)

**Outcome:** Legal framework for proposed dispute resolution mechanism

## SECTION IV

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### **Task 4: Establish a Broad-Based Credit Information System**

#### **A. Institutional Partners**

EFS will work closely with its principal institutional partner, the Central Bank of Egypt (CBE), and the newly established private Egyptian credit bureau, ESTEALAM, as well as cooperating institutions, such as the Ministry of Interior, Ministry of Investment, Ministry of Finance, and Ministry of Justice.

#### **B. Overview of Year 1 Achievements**

In June 2005, Parliament approved amendments to the Banking Law enabling the establishment of private sector credit bureaus and allowing for the exchange of bank credit information with credit bureaus. The CBE was granted overall authority to license and regulate credit bureaus, create operating and supervision systems, and establish rules for information exchange.

EFS helped the CBE develop and establish licensing requirements for credit bureaus, which the CBE's board of directors approved on August 30, 2005. A preliminary license was granted to ESTEALAM on the same date, making it the first credit bureau to be established under the amended Banking Law. ESTEALAM is comprised of shareholders from 28 banks and the Social Fund for Development.

EFS successfully completed an observational study tour to the Turkish credit bureau (Activity 4.1.3) in March 2005. Two of the participants are now ESTEALAM board members.

In May 2005, the CBE, with assistance from EFS, finalized the rules and regulations for credit bureaus. The EFS team provided an analysis of the Banking Law and researched privacy rights, laws related to the exchange of information in Egypt, and legislation and codes of conduct in other countries. In October 2005, a second version of rules and regulations was completed incorporating the work of three EFS international credit bureau consultants. Recently, ESTEALAM and CBE established a legal committee to review work completed to date. The EFS team will participate and guide this committee's work.

An EFS short-term credit bureau consultant, Miguel Llenas, successfully completed two trips to Egypt. He advised the CBE and ESTEALAM on issues related to the management of credit bureaus, technology, business models, and how credit bureaus can serve the whole market.

EFS has analyzed the International Finance Corporation (IFC) and the World Bank's involvement in credit information systems in Egypt and identified several issues related to the model that Egypt will adopt. These issues include the availability of bank credit information to the non-bank sector; the ownership structure of credit bureaus; the existence of the public registry to serve CBE supervisory purposes; and the private registry to provide quality and increased credit information.

ESTEALAM's board of directors reached a decision to use both IFC and EFS technical assistance. IFC will focus on banks, undertake a technical scoping study, develop a business plan, and select a vendor. EFS will focus on the non-bank area, continue its work on the legal and regulatory environment, and complement the technical assistance of IFC where applicable. EFS assistance covers both preparatory and implementation stages of the private sector credit bureau.

### **C. Policy and Institutional Environment**

The CBE public registry, which existed prior to amendments to the Banking Law, will continue to operate alongside the newly established private credit bureau. Banks, mortgage finance companies, and financial leasing companies will continue to report to and use the public registry. The coexistence of two credit information systems is under careful consideration by EFS, especially the mandatory obligation of the banks to use the public registry at CBE with the private sector credit bureau and the IT links between the banks (mortgage finance and leasing companies), CBE, and the private credit bureau.

The CBE may consider routing credit information suitable for a private sector credit bureau through the CBE public registry, placing CBE in the role of an information provider. Additionally, the CBE deputy governor acts as an external advisor to the ESTEALAM board of directors and participates in decision-making.

The CBE is in a good position to coordinate and integrate the work of the three donors that provide assistance to the government of Egypt in the area of credit information systems. Also, ESTEALAM must establish a strong management team to enable faster progress on their part.

CBE and ESTEALAM need to allow the non-bank sector access to the same credit information available to banks and mortgage finance and financial leasing companies to encourage the non-bank sector to share information with and use the credit bureau. ESTEALAM needs to be visible to the rest of the market. In the absence of a strong management team, this visibility will be delayed.

Successful completion of EFS' technical work relies in part on the completion of the IFC's work; the integration of the IFC's and EFS' work; the dedication of IT personnel from CBE to work closely with EFS consultants; and transparency about the IFC's and World Bank's assistance to ESTEALAM and the CBE. For example, EFS' technical scoping studies related to the non-bank sector will be based on IFC's recommendations on certain data formats, which in turn will be agreed upon by the CBE, ESTEALAM, and the foreign vendor.

### **D. Year 2 Planned Activities**

#### **KRA 4.1: Strengthen the Capacity for Oversight of Private Information Systems and Protection of Consumer Rights**

##### **4.1.1 Assist the CBE in consolidating its role as a credit bureau regulator and licensor.**

Completed.

#### **4.1.2 Review and assess present regulatory capability within CBE to oversee a private credit bureau.**

Assist the CBE in developing its regulatory system and minimum standards to regulate and supervise, particularly to monitor risks in credit bureau operations.

Assist the CBE in reviewing what ESTEALAM will submit to CBE such as studies, documents, and evidence of adherence to the regulatory requirements with the objective of getting a final license.

**Deliverable:** Regulatory manual (Q2)  
Review report/final license granted to ESTEALAM (Q4)  
**Outcome:** Improved CBE regulatory system  
Final license granted to ESTEALAM

#### **4.1.3 Observational study tour to Turkey to visit credit bureaus and regulator.**

Completed.

#### **4.1.4 Assist the CBE in consolidating its role as the authority that will oversee consumer protection as pertains to credit bureau operations.**

Assist CBE, with assistance from the U.S. Federal Trade Commission, to establish the relationship between consumer protection rights and the successful operation of credit bureaus to ensure accuracy of information and to detect fraud. This activity also includes building the organizational capacity of CBE and enhancing their ability to conduct offsite and onsite inspection of consumer protection rights.

**Deliverable:** Technical report (Q3)  
**Outcome:** Increased capacity to protect consumer rights

#### **4.1.5 Assess the legislative framework.**

Completed.

#### **4.1.6 Assist the CBE to review and assess IT requirements.**

Help the CBE to establish minimum IT standards by the credit bureaus. Standards should be updated regularly with the objective of having the CBE supervise the IT aspect of credit bureau operations.

**Deliverable:** Technical report (Q2)  
**Outcome:** Increased capacity to regulate IT of credit bureaus

#### **4.1.7 Training for CBE.**

With the CBE, EFS will develop and implement training to help the CBE consolidate its role as the regulator and licensor of credit information systems. Training for security and audit, regulatory issues, and consumer protection rights will be carried

out in conjunction with the U.S. Federal Trade Commission and other legal/regulatory trainers. Planned training programs include:

- Audit 411: SANS 17799 Security and Audit Frame Works
- Audit 507: Auditing Networks, Perimeters, and Systems
- Consumer Protection Rights with Federal Trade Commission

**Deliverable:** Training programs for CBE (Q3)

**Outcome:** Trained CBE staff

#### **4.1.8 Assist CBE in determining/defining its role as an information provider.**

Assist CBE in determining/defining its role as an information provider to the private credit bureau and the model that Egypt will adopt with respect to credit information systems and the coexistence of the public registry and the private sector credit bureau. EFS will examine legal issues, IT and data aspects, rules of information exchange with the private sector credit bureau, IT capacity of CBE's present system and other relevant issues.

**Deliverable:** Technical report (Q3)

**Outcome:** Model for credit information systems

### **KRA 4.2: Private Sector Credit Bureau Operational**

#### **4.2.1 Review models of several credit bureaus.**

Completed.

#### **4.2.2 Determine credit bureau licensing requirements.**

Completed.

#### **4.2.3 Conduct a workshop targeting government agencies to discuss their expected roles and contributions as information providers to a private credit bureau.**

Prior to the workshop, EFS will conduct a series of visits, in close cooperation with and approval of the CBE, to relevant Egyptian ministries and authorities to gain political support for this activity, identify stakeholders and existing information databases that can be provided to the credit bureau. Ministries to be contacted include the Ministry of Interior, Ministry of Justice, Ministry of Communication and IT, Ministry of Insurance and Social Affairs, Ministry of Supply and Internal Trade, Ministry of Electricity and Power, and the Ministry of Finance.

**Deliverable:** **Report on the outcome of EFS contacts with ministries (Q?)**

Workshop on government agencies as information providers (Q3)

**Outcome:** Increased understanding of the role of government agencies in a credit information system's success

**4.2.4 Identify legal/regulatory impediments to the provision of information from the Government of Egypt and its agencies, commercial/consumer creditors, and non-bank institutions to a private credit bureau.**

Completed.

**4.2.5 Study and determine the best mechanism for government agencies and non-bank financial institutions – under the umbrella of the Ministry of Investment - to provide and share information with a private credit bureau.**

EFS will work with the Ministry of Investment and in cooperation with Task 1 and Task 3 to initiate discussions with the four regulators falling under the umbrella of the Ministry of Investment : MFA, CMA, GAFI and EISA ( Egyptian Insurance Supervisory Authority) and related companies. .

**Deliverable:** Report with the outcome of this activity (Q1)

**Outcome:** Recommendation on the best mechanism to provide information and link to the credit bureau.

**4.2.6 Analyze the quality and timeliness of demographic and other essential information controlled by state agencies that will feed into a private credit bureau.**

This activity depends on counterpart interest and willingness to provide information and is contingent on progress made in Activity 4.2.3

**Deliverable:** TBD

**Outcome:** Assessed suitability of the databases

**4.2.7 Examine and assess the IT capacity of the present credit reporting system that provides borrowers' credit information to the CBE public registry.**

Cancelled. IFC is addressing this work.

**4.2.8 Provide guidance and participate in a legal committee formed by ESTEALAM and CBE.**

The committee, which includes legal directors of some banks, will review and discuss EFS' legal findings, the legal rationale of the rules and regulations, draft agreements, and forms for the credit bureau following international best practices and within the Egyptian legal system. The committee will also advise on the best dispute mechanisms for the credit bureau, issues related to consumer protection, and the best mechanism to capture public record information mainly from courts and other information sources.

**Deliverable:** Report on the progress of the legal committee (Q3)

Materials/presentations provided by EFS to the committee

**Outcome:** Increased ability to draft agreements and forms used by private sector credit bureau

Increased ability of legal directors of banks to represent their banks in signing agreements with the credit bureau.

#### **4.2.9 Capacity building for the private credit bureau.**

Establish and develop an organizational chart for the credit bureau, positions and numbers, qualifications and job descriptions, internal policies and procedures, application of corporate governance principles, code of conduct, and code of ethics.

**Deliverable:** Technical report and a formal presentation to be presented to ESTEALAM board of directors (Q1)

**Outcome:** Improved operational capacity at the private credit bureau

#### **4.2.10 Identify and analyze the adequacy of public record information and the periods of their availability under the Egyptian legal system.**

This activity will include all types of legal information such as protested bills of exchange, bankruptcy, criminal convictions, foreclosures, and others.

**Deliverable:** Legal research report (Q3)

**Outcome:** Assessment of the suitability of the legal information in the Egyptian court system to be provided to the private sector credit bureau as well as any impediments in the provision of information

#### **4.2.11 Assist ESTEALAM in establishing accounting and auditing systems.**

This activity will start once ESTEALAM has progressed in negotiations with the foreign vendor. EFS will then adapt the requirements of the foreign vendor to Egyptian accounting standards.

**Deliverable:** Technical report (Q4)

**Outcome:** Established and functioning accounting and auditing systems

#### **4.2.12 Conduct a study/review of the microfinance institutions (MFIs) and the Social Fund for Development.**

EFS will visit MFIs, review laws governing their existence and operations, and examine their regulatory frameworks (or lack thereof). EFS will consider their legal documentation in dealing with consumers/borrowers with focus on consumer consent issues and will familiarize the CBE and ESTEALAM with their operations and requirements. When a decision is made by ESTEALAM and the IFC on the data format, EFS will continue to assist in the study by collecting information on the ability of their credit data, information, and IT systems to meet international standards of private sector credit bureaus. This activity should be closely coordinated and integrated with USAID/Egypt's upcoming microfinance project. EFS will also work with different stakeholders including SANABEL, a network of microfinance institutions in Arab countries, and Planet Finance, an international NGO that supports microfinance institutions.

EFS will also help ESTEALAM establish specific procedures and guidelines to conduct due diligence and audit checks of non-bank information providers and users to provide ESTEALAM with a mechanism and comfort level to contract with them. As part of this activity, EFS will review Planet Finance’s rating methodology for microfinance institutions.

A workshop planned for the third quarter will bring together MFIs and the Social Fund for Development as data providers and users of the credit bureau and ESTEALAM. The workshop will include other stakeholders, including banks that extend microloans. The objective of the workshop is to inform MFIs of recent private sector credit bureau developments, and initial requirements and decisions to be established by ESTEALAM. The workshop will also identify what is needed to strengthen the relationship between MFIs and ESTEALAM and provide ESTEALAM with information regarding their operation.

- Deliverable:** Report to introduce MFIs to ESTEALAM (Q1)  
 Report with recommendations on procedures and guidelines for ESTEALAM to conduct due diligence (Q3)  
 Workshop for MFIs and the Social Fund for Development (Q3)
- Outcomes:** Microfinance and credit bureau institutions knowledgeable of initiatives in credit information

#### **4.2.13 Assist ESTEALAM conduct market survey of suppliers of goods and services in the private sector.**

EFS will help the credit bureau conduct a survey to assess market readiness to supply information to the credit bureau and estimate potential number of inquiries. Based on industry segmentation, EFS will identify and visit selected main players representative of different industry segments, such as housing developers, mobile phone companies, and collection companies. If appropriate, EFS may hold a panel discussion. This activity will be confined to joint-stock companies selling to natural persons on credit.

When ESTEALAM and IFC reach a decision on the data format, EFS may continue to assist in the study by collecting technical information on the ability of their credit data, information, and IT systems to meet international standards of private sector credit bureau.

- Deliverable:** Survey reports and/or formal presentation(s) to be delivered to ESTEALAM’s board of directors (Q3)
- Outcome:** ESTEALAM and suppliers of goods and services better understand credit bureau requirements

#### **4.2.14 Undertake an overseas study tour to credit bureau(s).**

EFS will organize an observational study tour for Egyptian ministries and public authorities, CBE officials, and ESTEALAM executives to countries that operate both private and public credit registries (for example, Belgium) and/or to a developing country (for example, Morocco).

- Deliverable:** Observational study tour to countries with public and private credit registries (Q3)  
Report on study tour to include presentations delivered in the seminar(s) and/or materials and presentations obtained on the study tour (Q3)
- Outcome:** Government officials appreciate their role as information providers and show increased willingness to provide databases to the credit bureau. ESTEALAM and CBE appreciate how two registries can exist side-by-side and serve different requirements

#### **KRA 4.3: System of Protection in Place for Consumer Rights**

##### **4.3.1 Review Egyptian laws to determine whether there are privacy, consumer protection, libel, or other laws that may impede the operation of the CBE's credit bureau consumer protection component.**

Completed.

##### **4.3.2 Assist CBE to build and strengthen its consumer protection unit and to investigate ways to settle disputes outside courts.**

See 4.1.4.

##### **4.3.3 Assist the CBE and ESTEALAM to develop a public awareness strategy.**

Assist the CBE and ESTEALAM to develop a public awareness strategy, a leaflet/publication for the Egyptian credit bureau that includes consumer protection educational material, and arrange for a launch and media education events. Also, assist ESTEALAM and CBE, provided they have appointed staff (public awareness specialist) to deal with consumers/borrowers and provided ESTEALAM is in a good negotiation phase with the foreign vendor, on how to deal with consumer protection issues, how to better serve and communicate with the public, and how to educate the public.

This activity is contingent upon approval of the rules and regulations by the board of directors of the CBE and approval of ESTEALAM board to start public awareness activities.

- Deliverable:** Public awareness strategy (Q2)  
Launch event (Q2)  
Media event (Q2)  
Informational publication (Q3)  
Event to orient public awareness specialists and/or consumer protection officers at CBE and ESTEALAM on how to deal with the public (Q4)
- Outcome:** Improved capacity of CBE and ESTEALAM staff to deal with the public and consumers

Increased awareness among consumers of their rights and how to deal with credit bureaus

**E. Level of Effort**

Marian Mishriki, Financial/Credit Specialist, Task Leader  
Hanna Hanafy, Administrative Assistant.

A long-term Egyptian expert is required to provide finance and banking expertise and support for Task 4 activities. The expert will also serve as a backup for the Task 4 leader, currently the only long-term adviser for the task.

## SECTION V

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### Crosscutting Departments

#### A. Information Technology

##### A1. Year 1 Achievements

###### Task 1: Activity 1.1.6 — IT support to the MFA

During Year 1, the EFS IT team conducted an IT needs assessment for the MFA. Procurement included 5 servers, 30 desktop computers, 3 notebooks, as well as the network equipment. Office automation software is provided free to MFA under a GO/Microsoft e-government contract. The IT needs assessment identified that the hardware procurement should be done in two phases.

The needs assessment identified six basic automation components:

- Regulatory information management system
- Financial/administration system
- Office automation software
- Document management/workflow management system
- The Authority's Web portal
- Call center service

##### A2. Year 2 Planned Activities

*MFA procurement.* MFA grew from 25 employees to more than 80 employees in Year 1. Accordingly, we plan to start the procurement of Phase II equipment early in Year 2. This will include additional workstations and peripherals.

IT support to the MFA in Year 2 will include:

- Determine specifications and review with MFA (Q1)
- Prepare request for proposals (Q1)
- Evaluate proposals and award contract (Q2)
- Installation (Q2-3)

*Financial/administration systems.* EFS determined that a local standard commercial off-the-shelf (COTS) financial and administration system will meet MFA needs. The system should consist of the following modules:

- General ledger
- Budgeting
- Fixed assets
- Inventory control
- Payroll and personnel (human resources)

The financial and administration system should be designed to fit the requirements of the public services authorities and should use the Egyptian Governmental Accounting System.

The following assistance is planned:

- Requirements definition (Q1)
- Assess MSAD financial and administration system and determine its hardware and system software requirements or alternatively prepare request for proposals (Q1)
- Evaluate proposals and award contract (Q2)
- Implementation (Q2-3)

*Document management/workflow management system.* The MFA will receive reports from the established mortgage finance companies, new market entrants, potential new market entrants, consumers, other departments in the Government of Egypt, and other regulatory authorities.

The following will be carried out in order to acquire and implement a document management/workflow management system at the MFA:

- Requirements definition (Q1)
- Prepare Request for Proposals (Q1)
- Evaluate Proposals and award contract (Q2)
- Implementation (Q2-4)

*Regulatory information management system.* The EFS IT needs assessment report suggested a regulatory information management system including databases for:

- Mortgage finance companies
- Mortgage brokers, legal agents, and appraisers
- Real estate associations
- Financial auditors
- Insurance companies

As well as the following systems:

- License follow-up
- Complaints follow-up
- Loan contracts follow-up
- Foreclosure follow-up

The first phase of these databases will be covered under the MFA Portal Phase I developed in cooperation with MSAD. The remaining parts will be developed under the EFS umbrella.

It is anticipated that the full requirements of the regulatory information management system will be developed over a long period of time due to the rapid growth of the MFA and the mortgage finance market. New requirements will arise that will necessitate expanding the functionality of the systems. EFS assistance will include:

- Evaluate existing databases developed for the MFA under the MSAD contract (Q2)
- Determine the components to be developed and implemented under the second phase of the regulatory information management system (Q1)
- Determine new requirements for the second phase the regulatory information management system (Q1-2)
- Develop functional requirements for the second phase of the MFA regulatory information management system (Q2)
- Prepare request for proposal(s) (Q3)
- Evaluate bids and contract vendor (Q3)
- Start development/implementation of the second phase of the systems (Q3-4)

*Web portal Phase II.* One of the goals of the MFA is to oversee the proper implementation of the Real Estate Finance Law and to safeguard the rights of the market participants.

Some of the services offered by the MFA are to allow relevant parties access to the registers, reports, documents, and other papers pertinent to real estate financing activities and to provide and disseminate sufficient information and data on the activity of real estate financing.

Developing a Web portal will help the MFA to provide information/services in a proper and timely manner.

Currently, with the cooperation of MSAD, the first phase of the MFA portal is under development and is expected to be launched in January 2006. During Year 2, Phase II, the Web portal will be developed under the EFS project. Phase II will include additional services to be added and any other updates to the portal. To achieve this, EFS will:

- Assess the MFA's additional Web site requirements (April 2006)
- Get MFA approval of the requirements (May 2006)
- Develop amendments to the Web site as needed by MFA (June - October 2006)

*Call center.* To be coordinated with public awareness team.

## **B. Public Awareness/Outreach**

### **B1. Year 1 Achievements**

The first year of the project witnessed key milestones for public awareness and communication activities. Major achievements were made with the following EFS strategic stakeholders:

*Ministry of Investment.* Efforts started with an end-user survey that assessed market knowledge, attitude, and behavior toward concepts of mortgage, property registration, and credit bureau. The survey culminated in a report, *Knowledge, Attitudes, and Behaviors of Cairo Flat/House Owners and Potential Owners: A Baseline Survey*, completed in the second quarter. As a follow-on, a smaller, targeted assessment survey of lawyers and lenders was carried out to verify initial survey findings. With this knowledge, the *Mortgage Consumer Information* booklet was prepared and issued. The booklet is a useful reference tool that educates consumers on the mortgage process. The booklet was adapted to a flyer format and

poster. A distribution plan, coordinated with the Mortgage Finance Authority and key players from the banking industry, widened distribution to cover Cairo and Alexandria.

During Year 1, we developed and presented a communication and outreach strategy to the MOI. The strategy outlines the operational framework of the market players and stakeholders. Additionally, the EFS Public Awareness and Communication Team proposed that a national mortgage brand strategy be developed to ensure that all mortgage-related activities are coordinated. One such effort is the “Own Your Home” slogan endorsed by the minister in interviews with the media.

During Year 1, our team organized a number of events to educate the market on the developing mortgage finance sector. Among them was a *Mortgage Concepts and Best Practices* event attended by specialized media reporters and key stakeholders. Another event presented findings from the end-user survey to the banking community.

*Mortgage Finance Authority.* Throughout Year 1, the Public Awareness and Communication Team worked closely with the MFA to develop the public image of this relatively new authority. Public awareness activities started with the presentation of the new executive regulations at a press roundtable. That event was followed by refreshing the MFA corporate identity with updated corporate graphic standards more in line with the new image of MFA. With the appointment of a new MFA chairman, guidelines for managing media relations were key for the transition period and to pave the way to introduce the MFA’s role to the market.

*Capital Market Authority.* This more established partner institution introduced securitization as a new financial instrument to support mortgages secondary market. The new instrument was introduced to key stakeholders in three workshops addressing securitization, including an informational presentation to judges, lawyers, and prosecutors and a following round to insurance companies and another to banks. A separate media forum on securitization introduced the new instrument to journalists specialized in capital market reporting. After integrating stakeholder input, the new CMA Chairman Hani Sarei El Din presented the *Securitization Issuer Guide* in a CMA financial forum as part of his introduction to the media. The successful forum served to enhance the image of CMA in the eyes of the media and the public.

*EFS project.* Project activities started early with development of the project’s logo, corporate identity and a Fact Sheet introducing project objectives to the market and stakeholders. Event merchandising was also introduced and recently reviewed to ensure compliance with USAID branding specifications.

*EFS newsletter and website.* The project newsletter, *Market Pulse*, is a vital tool to educate stakeholders and communicate developments in the mortgage market. In Year 1, the newsletter evolved into a dual-language publication with enriched content and imagery. Since the first publication in April, distribution has more than doubled, and an ambitious distribution plan encouraged stakeholders to distribute it to their own customers.

The Public Awareness and Communication Team also has maintained the EFS page on the USAID Economic Growth website over the past year. The site announces project events early and encourages attendance of stakeholders and other interested project staff.

## B2. Year 2 Planned Activities

As in Year 1, the Public Awareness and Communication Team will continue in Year 2 in coordination with the EFS tasks to:

- Create a high level of awareness and interest among stakeholders and the public
- Ensure integration of public awareness and communication activities and programs across all tasks
- Educate opinion leaders and the media as influential in the outreach process and engage market players in the process
- Build communication and outreach capacity among different institutional partners

*Communication and outreach strategy and working programs.* The Public Awareness and Communication Team will work with counterparts to draft communication strategies and working programs in line with the aggregate plan presented to Ministry of Investment. The aim is to synchronize communication activities of key stakeholders and partners to support establishment of mortgage industry.

Developing the communication strategy is also considered a vital exercise in the capacity building of the communication team inside the stakeholders body.

*Communication and outreach capacity development.* To ensure the development of public outreach and communication capabilities among institutional partners the Public Awareness and Communication Team will work to build the communication capacity of institutional partners. As a starting point, the team will work to profile and form communication teams, and provide on-the-job training, coaching, and mentoring. The objective is increase the communication capacity among relevant stakeholders. Special emphasis will be given to the MFA.

*Media education.* Media is viewed as an essential partner for success in public awareness initiatives and the main channel for disseminating messages to end users. In Year 1, the Public Awareness and Communication Team drafted a Media Education Program for introduction in Year 2. The objective of the program is to increase understanding of mortgage finance dynamics, solicit objective reporting and motivate effective coverage to educate the public. Regular media education sessions, devoted to a certain subject, will be organized throughout Year 2.

*“Own Your Home” national mortgage brand.* The aim is to introduce the slogan to all mortgage-related activities to all market participants. This includes publications, posters, media announcements and events, regardless of the sponsor (Ministry of Justice or Ministry of Investment), the look and feel will be in line with the brand endorsed by Ministry of Investment in 2005.

*Publications.* A series of publications will be developed to introduce mortgage concepts to different stakeholders and to educate the public about the overall mortgage system. Our team recommends producing all mortgage-related publications under the national mortgage brand to increase recognition and supplement other outreach activities.

*Events.* The range of public awareness events varies to include stakeholder outreach events to introduce pertinent topics and to increase their knowledge of the overall mortgage industry.

*Research.* Research is a key component of the public education initiative and includes formal research with outside professional consultants and internal assessments conducted by the Public Awareness and Communication Team to prepare for an initiative or collect information and feedback before or after an event.

*Image Database.* During Year 1, the Public Awareness and Communication Team encountered difficulty sourcing images for various publications. To address this issue, we compile an image database to serve stakeholder educational purposes.

### C. Training

In 2005, we established the Training Department, which included development of a comprehensive four-year training plan/matrix; an associations database and a training provider/facility database; checklists for U.S., third country, and in-country training events; and a training materials library and check-out procedure.

The Training Department also conducted three in-country workshops, five in-country short courses, one observational study tour, and sent participants to two off-shore conferences and one off-shore short course. In addition, two English-language training programs and two IT training programs will be completed by December 2005. The EFS Translation Department translated nearly 1,500 pages and 500 PowerPoint slides of training materials for five off-the-shelf localized courses in Year 1.

In Year 2, EFS plans to conduct nearly 120 training programs, with content ranging from policy issues to specific technical areas. These programs will be attended by more than 2,000 employees from the public and private sectors. To achieve this goal for planned activities, implementation of the work plan should stay on track, and the partner institutions organizations have to be stable. The training programs will be in-sync with task implementation. Building capacity can be achieved through successful training programs, which will expand the knowledge of trainees.

The following table summarizes the types of training, number of training programs, and participants for Year 1 and Year 2.

**Table 1: Summary of Training Activities**

Tasks and Training Programs	Task 1		Task 2		Task 3		Task 4	
	Yr 1	Yr 2	Yr 1	Yr 2	Yr 1	Yr 2	Yr 1	Yr 2
OST		1		1	1	2	1	1
Seminar/Work-shop	2	17	1	1		10		4
Short Courses*	6	26		10				3
On-the-Job					3			
IT		14		2				
English	2	4						
<b>Total Events</b>	<b>8</b>	<b>62</b>	<b>1</b>	<b>14</b>	<b>4</b>	<b>12</b>	<b>1</b>	<b>8</b>
<b>Participants Attended/Will Attend</b>	<b>139</b>	<b>2,967</b>	<b>14</b>	<b>636</b>	<b>34</b>	<b>286</b>	<b>8</b>	<b>176</b>

Training activities are found in each of the four tasks within the relevant KRAs. Detailed training matrices for each task are found in the annex of this work plan. The following is a brief overview of training provided during Year 1 and those planned for Year 2.

### **C1. Year 1 Achievements**

*Task 1.* Training activities under Task 1 are well-defined and target specific audiences. A total of 91 participants attended 12 EFS-sponsored training programs, workshops, and conferences. Below is the list of training events and number of their iterations.

- 1 Off-shore program - Wharton
- Appraisal Courses (Appraisal Institute)
  - 3 courses developed and translated into Arabic
    - Market Analysis and Highest and Best Use
    - Case Studies
    - International Valuation Standards and Egyptian Supplements
  - 2 Training of trainers (TOT) courses delivered
    - Appraisal Market Analysis and Highest and Best Use
    - Appraisal International Valuation Standards
  - 2 Workshops conducted
    - Appraisal Residential Licensing Curriculum - MFA
    - Appraisal IVS Workshop – Association and Egyptian Supplements developer
- Mortgage Finance Course (Mortgage Bankers Association)
  - Egyptian Primary Mortgage Market (3 iterations)
    - TOT course
    - Two regular offerings
- IT (2 courses)
- English Language Training (2 iterations)

*Task 2.* The Training Department worked with Task 2 to identify and select participants to attend the symposium *Land Registration in the Arab World: Challenges and Ambitions* held in Jordan September 1-3, 2005. Fourteen participants were nominated representing the Egyptian Survey Authority, the Ministry of Justice, the Ministry of State for Administrative Development, and the Ministry of Communication and Information Technology. The Training Department approved nine participants to attend this symposium. The purpose of sending participants to the symposium was to expose them to experiences of other Arab countries in land registration system challenges and possible solutions and to draw their attention to emerging trends in international best practices for systems and methodologies underpinning the introduction and improvement of real property registration systems.

*Task 3.* The Training Department worked with Task 3 to send four participants to the *Broker–Dealer Regulation and Enforcement Conference* held in Bahrain in May 2005. The participants were from the Capital Market Authority, the Cairo Alexandria Stock Exchange, and the Ministry of Investment. The purpose of sending these participants to attend the conference was for them to better understand the need to modify qualifying and licensing requirements for financial intermediaries dealing with investors in new financial instruments, the need to maintain a safe and orderly market, and to introduce them to the regulatory requirements for brokers of new financial instruments.

Also under Task 3, three on-the-job training sessions for the CMA were conducted in Year 1 on fixed-income securities, inspection, and surveillance manuals. The EFS Task 3 technical team conducted these training programs for thirty CMA staff members.

*Task 4.* The Training Department organized a *Private Sector Credit Bureau Regulation and Operation* observational study tour to Turkey in March 2005. The study tour included eight participants from the CBE, the National Bank of Egypt, the National Bank for Development, the Commercial International Bank, the Social Fund for Development, and the Housing and Development Bank. The purpose of the study tour was to deepen Egyptian professionals understanding of the operations and regulations of credit bureaus and to enable them to take actions to establish and operate a private sector credit bureau.

## **C2. Year 2 Planned Activities**

*Task 1.* Approximately 40 training events will take place in Year 2; the estimated number of participants is more than 1,000 real estate professionals from the MFA, associations, banks, MFCs, and private companies. All of the training events will take place in Egypt, except for one observational study tour and one short course in the United States.

- 1 observational study tours
- 5 appraisal courses
  - 3 TOT Sessions
  - 11 iterations for regular session (may include TOT)
- Foreclosure course
  - 4 workshops for different audiences
- 5 Mortgage finance courses from MBA and others
  - 4 TOT Sessions
  - 4 regular sessions (11 iterations)
- Other mortgage finance courses
  - 9 (short courses, seminars, and workshops)
- Mortgage brokerage (TBD)
- Real estate brokerage (TBD)
- Association development
  - 9 Capacity building programs
- 1 Standard documentation program
- 1 Regulatory program

*Task 2.* In Year 2 approximately 25 training events will take place for an estimated 500 employees from Egyptian Survey Authority, Ministry of Justice, Ministry of State for Administrative Development, and private sector survey companies. All of the training events will take place in Egypt except one observational study tour.

- 1 Observational study tour (institutional models)
- 1 Seminar
  - Institutional models and best practices
- Basic training
  - 7 IT courses
- 7 Operational training programs with iterations
- 4 Surveying equipment training programs

- Total Solutions
- GPS
- TOT on both

*Task 3.* In Year 2 approximately 20 training events, including iterations, will take place. The estimated number of participants is more than 200 employees from the Ministry of Investment, Capital Market Authority, General Authority for Financial Instruments (GAFI), CBE, Egyptian Survey Authority, Ministry of Justice, Egyptian Investment Managers Association (EIMA), and private sector companies. All of the training events will take place in Egypt, except for two observational study tours.

- 2 OSTs
  - Model collateral registry
  - Regulation of new financial instruments
- 8 Workshops
  - New financial instruments for industry professionals
  - New financial instruments and foreclosure for judges
  - U.S. Treasury on “repos”
  - Leasing
  - Factoring
  - Mutual funds
  - Credit enhancement
- 5 Seminars
  - Secured lending
  - Collateral registry
  - Impediments elimination

*Task 4.* Approximately 12 training events will take place and the estimated number of participants is 250 employees from the CBE, ESTEALAM, and non-bank entities. All training events will take place in Egypt, except for one observational study tour and two short courses, which will take place in a third country and the U.S., respectively.

- 1 Observational study tour
  - Credit bureau models
- 4 Workshops
  - GOE as information provider
  - Legal issues
  - Microfinance institutions and Social Fund for Development
- 3 Short courses: 2 in U.S.
  - Audit 507 – Security and audit frameworks (U.S)
  - Audit 507 – Auditing network systems (U.S)
  - Consumer protection

### **C3. Association Development**

The Training Department is also responsible for association development, which falls under KRA 1.3, Task 1: Real Estate Professions Stimulated, Industry Brought to International Standards, Other Services Developed.

The Training Department began the association development effort in May 2005. Development efforts include:

- Association outreach and information gathering
- Identification of partner associations
- Establishment of twinning initiatives with U.S. organizations
- Development of an EFS association development plan
- Development of a training plan for associations capacity building
- Development of an association database

EFS' association development plan serves to strengthen associations as an important and sustainable channel for training. In addition, these self-regulated associations will emerge to guide best business practices and foster the growth of well-organized, informed, and trained professionals in the real estate industry. EFS is strengthening nascent associations through twinning initiatives (with MBA and AI), management development training, and certification through the regulatory partnership with the MFA.

*Association outreach and information gathering.* In Year 1, an association baseline information kit was developed and sent out to existing real estate-related associations. Outreach to active associations also fulfilled the need to collect baseline information to determine the development needs for private sector associations and to provide technical assistance activities to build these associations.

*Identification of Partner Associations.* The EFS association development specialist developed a real estate association profile and conducted SWOT analysis from associations' feedback on the above baseline information kit. This helped determine appropriate partner associations for EFS. EFS identified two associations as EFS partners representing lenders and appraisers:

- Egyptian Mortgage Association (EMA)
- Egyptian Association for Real Estate Appraisers (EAREA)

EFS is now in the process of identifying a third partner association to serve real estate brokerage professionals.

*Egyptian Association for Real Estate Appraisers.* EAREA is an emerging association, established in February 2005, and headed by Dr. Ahmed Anis, director of the Real Estate Appraisal Center at Cairo University. The center is the official training provider for appraisal courses. Dr. Anis also serves as a MFA board member and heads the appraisal committee at the MFA. EAREA currently has 45 members and membership continues to increase.

With the assistance of and support of EFS Appraisal Institute (AI) consultants, EAREA membership application to the General Secretary of the International Valuation Standard Committee (IVSC) was successfully accepted.

Communication and consultations were initiated with the EAREA chairman to decide on activities and programs to be carried out by the association in cooperation with EFS.

In Year 1, EFS engaged the U.S.-based Appraisal Institute to assess existing appraisal programs and the sector as a whole and to offer and recommend training programs needed in the Egyptian market. The effort started in February 2005. AI consultants coordinated with

local appraisers nominated by EAREA to conduct an assessment of the appraisal market. In June 2005, AI trainers started working with four local appraisers to adapt course materials to fit the Egyptian market. AI and EFS short-term local experts adapted course materials for five appraisal training programs.

In September 2005, EFS brought AI trainers to Egypt to provide course orientation sessions for the members of the EAREA and for local short-term consultants who assisted AI in localizing the materials. In addition, we delivered two workshops. *Residential Certification Curriculum* was delivered to the MFA appraisal committee and was attended by the MFA chairman, EFS team, and other association representatives. The second workshop, “*Valuation Standards*,” was attended by the EAREA and all local course developers.

Currently, EFS is working in with the EAREA for the upcoming AI training of trainers (TOT) course. AI trainers will train selected members of EAREA to deliver the localized training curricula. Ownership of the course materials will reside with EAREA. These training programs will be a source of income for the association and help ensure long-term financial sustainability.

*Egyptian Mortgage Association.* The EMA was established in July 2005 and is headed by Eng. Magd El-Din Ibrahim, chairman, El Taamir, the first mortgage finance company in Egypt. EMA currently has 33 individual members and one corporate member. Members include employees of the two existing mortgage finance companies, mortgage brokers, and bankers. The association is actively recruiting bankers because banks are now more willing to work in mortgage financing.

EFS is in discussion with the chairman, deputy chairman, and the board of directors on issues concerning EFS assistance and cooperation with the association per the EFS association development plan. A memorandum of understanding between EFS and EMA will be signed by end of Year 1 to specify activities, duties and responsibilities, programs, and capacity building efforts.

EMA designed and developed a logo and is working on association stationery, an improved brochure, a membership application form, business cards, and a Web site. EFS assisted and pushed forward these activities. The EFS Training Department set up four activities including two monthly board of director meetings for November and December. The first meeting discussed status of the stationery, job description for an executive manager, the procedures for hiring, memorandum of understanding with the EBI for conducting training programs, and an upcoming training event. The December board of directors meeting will include a brainstorming session to develop the association business plan. In January 2006, a U.S. association expert will conduct the board of directors orientation, strategic, and business planning session, which will result in the development of the association’s business plan.

Building upon an MBA assessment completed in May 2005, the Training Department and Task 1 worked with MBA course developers to localize training materials for an Egyptian primary mortgage market training program. Of 10 TOT participants, EFS identified five qualified trainers and another qualified trainer from the second training session. Ten participants from the EMA, the Egyptian Housing Finance Company (EHFC), El Taamir Mortgage Company, the Egyptian Mortgage Broker Association (EMBA), the National Societe General Bank, the Egyptian American Bank, A.B. Consulting Group, and the Arab

African International Bank were trained. Upon completion of the course, all participants sat for an examination and received a certificate of achievement.

A second round of the five-day training program commenced on September 25 and was delivered by TOT graduates. MBA trainers observed and provided discussions of international best practices.

Building a cadre of local instructors for the EMA will strengthen the association. In the future, the association will be able to deliver the MBA courses on its own. These courses will provide value-added services for members and be a great marketing tool to attract potential members and generate income for the association.

*New associations.* The Training Department is working to identify a new partner association by the end of Year 1. Egyptian real estate brokers, developers, professionals from international franchises, and property management firms are targeted as members. Initial discussion took place in June 2005 and a task force meeting was held in November 2005. EFS facilitated this meeting. Using the outcomes from this task force meeting, the attendees will identify the association and restructure the organization to fit the needs of the members.

EFS will help this new association, when officially identified, to design, develop, and conduct training courses for real estate brokers.

*Establishment of twinning initiatives with U.S. organizations.* EFS established twinning initiatives between these associations and U.S. institutions through the following steps:

- U.S. real estate organizations' off-the-shelf courses are localized to fit the Egyptian industry
- Translate localized training materials into Arabic
- U.S. trainers conduct TOT programs for these courses for Egyptian association members in English
- U.S. trainers and Egyptian association trainers co-instruct these training programs in English and/or Arabic
- Egyptian association trainers conduct these training programs in Arabic
- Training programs reside with Egyptian Associations

The Training Department is also working with the MFA to approve associations as certified training providers for mortgage lending and real estate appraisal courses. The associations can provide these courses at the EBI, Cairo University, and other real estate training-related institutions by executing memoranda of understanding between the associations and the training institutions.

*EFS association development plan.* The Training Department and the chief of party developed a standardized assistance strategy for partner associations to ensure that EFS assistance is uniform and transparent for all partners. EFS assistance includes:

- Develop association strategic vision
- Provide association management training programs
- Build association capacity
- Develop an information resource center for association members

- Develop communication strategy
- Provide technical training and curriculum development for both certification and continuous education

EFS and the participating associations will prepare and sign memoranda of understanding. A detailed job description with qualifications for the executive manager to be hired by EFS has been prepared.

*Association model approved by the MFA.* In Year 1, EFS presented the EFS association model to the MFA and received approval. The presentation focused on EFS-proposed partner associations, future activities, and international partner associations to be twinned with local associations. As a result, identification of the partner associations was finalized.

EFS continued to develop, refine, and implement this association model under the MFA's new management. Successful development and implementation of a long-term strategy requires close coordination and buy-in by the MFA as the authority supervising and regulating the sector. EFS assistance to targeted associations supports the MFA's mandate to regulate the real estate finance industry. EFS is coordinating development of public-private partnerships between the MFA and relevant associations. Outcomes of the partnerships will include the professional training courses and exams approved by the MFA.

Task 1 and the Training Department defined the capacity building needs of MFA. The EFS training plan will strengthen MFA's ability to supervise and regulate real estate professionals. EFS is currently working with the MFA to develop licensing requirements, standards, and the legal and regulatory framework for the MFA and relevant associations.

*Development of a capacity building training plan for associations.* In Year 1, the EFS Training Department identified the training needs of associations' boards of directors. Based on the assessment, the Training Department designed and developed a series of association management and development program workshops that will be rolled out in Year 2 under KRA 1.3, Task 1. The workshop series includes:

- Board of directors orientation
- Strategic planning session to produce a Bbusiness plan for each association
- Membership development
- Financial management
- Fund raising
- Policy advocacy

*Associations database.* The Training Department developed an association database that now tracks nine associations. The database contains the following information:

- Association full contact information in Arabic and English (name, address, phone and fax numbers, e-mail, Web site)
- Mission and vision
- Founding information (registration no. and date)
- Association bylaws (Arabic and English if available)
- Board of directors with full contact information (name, company, position, telephone, mobile, address, e-mail)

- Board of trustees with full contact information (name, company, position, telephone, mobile, address, e-mail)
- Associations' committees (list of committees members)
- Association members with full contact information (name, company, position, telephone, mobile, address, e-mail)
- Organizational chart (list of staff, positions, departments)
- Association membership structure (membership categories and dues)
- Association activity history brief (training courses, workshops, seminars, conferences, event, advocacy)
- Association publications (newsletters, brochures, reports, periodicals)
- Simple SWOT analysis

## ANNEX A

### Projected Year Two Deliverables by Task and Quarter

Task	KRA	Activity	Deliverable	Quarter	Type of Deliverable	
<b>TASK 1</b>	<b>1.1</b>	1.1.5	OST for MFA chairman and deputy chairman	Q1	OST/Training	
			OST for MFA chairman and deputy chairman (Wharton)	Q2	OST/Training	
		1.1.6	MFA Phase II IT procurement	Q2	Procurement	
		1.1.7	Regulations for MFCs	Q2	Regulations	
			On-site inspection of at least one mortgage finance company	Q2		
		1.1.8	Communication Strategy for MFA	Q1	Public Awareness Strategy Document	
			MFA Fact Sheet	Q1	Publication	
		1.1.10	Disclosure policies in accordance with best practices	Q3	Policy	
		<b>1.2</b>	1.2.1	Pilot offices in area recommended by mortgage lenders.	TBD	
				Position papers to lobby officials on reform	Q2-4	Position Papers
	1.2.2		Legal Reform Concept Paper, 2006 edition	Q4	Concept Paper	
	1.2.3		Standard mortgage contracts	Q2	Model Contracts	
			Workshop on standard contracts for lenders	Q2	Workshop	
	<b>1.3</b>	1.3.1	Directory of Real Estate Associations	Q2	Publication	
		1.3.3	Training programs for association management	Q1-3	Training	
		1.3.5	National Real Estate Conference	Q2	Conference	
		1.3.6	Licensing plan; MFA approved professional education	TBD	Licensing Plan	
		1.3.7	Agreement among members on data systems in shared environment	Q4	Agreement	
		1.3.8	Mortgage finance training programs	Q1-4	Training	
			Appraisal training programs	Q1-4	Training	
	1.3.9	Association strategy implemented with partner associations	Q1-4			
	<b>1.4</b>	1.4.1.1	Credit, Loan, and other operating manuals for MFCs	Q1	Manuals	
			Plan to market EFS project services to banks	Q1	Marketing Plan	
		1.4.1.2	Database of mortgage-related activity	Q1-4	Database	
		1.4.1.2	Bank participation in training, workshops, working groups, and other EFS services	Q1-4		
		1.4.2	Expanded loan data to include mortgage loans by banks and personal loans secured by housing units	Q2	Data Collection	
<b>1.5</b>	1.5.3	Final workshop materials prepared with NCJS lawyers	Q2	Training Materials		
		Foreclosure workshop	Q2and 3	Training		

Task	KRA	Activity	Deliverable	Quarter	Type of Deliverable
	1.5	1.5.3	Workshop for lawyers	TBD	Training
			Workshops for lenders and other real estate professionals	TBD	Training

Task	KRA	Activity	Deliverable	Quarter	Type of Deliverable	
<b>TASK 2</b>	2.1	2.1.2.1	Draft memorandum on composition, membership and role of advisory/steering committee for review/action by the MOI	Q1	Draft Memorandum	
		2.1.2.2	Briefing papers as required	Q1-4	Briefing Papers	
		2.1.3	Draft operational plan for first registration	Q1	Draft Plan	
		2.1.5	Preparatory notes for MOJ/REPD and ESA to discuss/review directly with World Bank	Q1-3	Preparatory Notes	
		2.1.10	Observational study tour and report on findings and recommendations.	Q2 or 3	OST/Training	
		2.1.10	Report on OST findings and recommendations.	Q3 or 4	Report	
		2.1.12	Various draft executive regulations and draft regulation on divided co-ownership; Proposed amendments to Law 142/1964.	Q1-4	Draft Regulations	
	2.2	2.2.8	Brief technical report on improved document management	Q1	Report	
		2.2.9	Functional specifications for title registration system	Q1	Specifications	
		2.2.10	Customized GIS application	Q2-3	Customized Application	
		2.2.11	Customized title registration system for first registration and subsequent transaction	Q2-3	Customized System	
	2.3	2.3.1	Bid tender and awards for IT component	Q1	Tender	
		2.3.2	Bid tenders for site preparation at TDL facility	Q1	Tender	
		2.3.4	Bid tender and awards for IT component	Q3	Tender	
		2.3.5	Bid tenders for site preparation at model offices and EPO offices	Q3	Tender	
		2.3.6	Comprehensive training program with course content outlines		Q2-3	Training
			Observational study tour (Q2 or 3)		Q2 or 3	OST/Training
			Seminar on best practices in the administration and delivery of registration services.		Q2	Seminar
		2.3.7	Housing typology and market assessment report for Nasr City, Maadi and 6th October.	Q1	Report	
		2.3.8	Operational and resource plan for field services – first registration	Q1-2	Plan	
		2.3.8.1	Technical guidelines/instructions to perform field services by private sector personnel and QA/QC and accreditation standards.	Q2	Technical Guidelines	
		2.3.8.2	Performance based contracts to collect data on ownership claims	Q2-4	Contracts	
		2.3.8.3	Performance based contracts to perform public awareness, education and outreach	Q2-4	Contracts	
		2.3.8.4	Digital extracts of deed records	Q3		
	2.4	2.4.1	Preparatory Notes/Briefing Papers for discussion with World Bank	Q1-3	Preparatory Notes	
	2.5	2.5.1	Technical report on assessment of property-related disputes in the civil courts	Q4	Report	
	2.6	2.6.1	Discussion paper and strategy on privatizing survey services.	Q2	Discussion Paper	

Task	KRA	Activity	Deliverable	Quarter	Type of Deliverable
<b>TASK 3</b>	<b>3.1</b>	3.1.1	A report of an assessment, strategy, implementation plan and a three-year timetable for introducing NFI	Q1	Report
			A list of statutory provisions on investment policies governing institutional investors.	Q1	
		3.1.2	Workshops: Trading in new financial instruments (Q2) Factoring (Q2) Leasing (Q3) New instruments and foreclosure for judges (Q2) Mutual funds (Q3) Dealers and institutional investors on GOE bonds, bills and repos (Q2) Removing impediments for institutional investors to invest in fixed-income securities (Q2) Jointly with the Development Credit Authority, on credit enhancement applications to NFI(Q1)	Q1-3	Training
		3.1.3	Two press forums	Q1and 2	Press Forums
			Five publications on NFI	Q1-4	Publications
	<b>3.2</b>	3.2.1	Draft regulations and rules for NFI and market	Q1-4	Recommendations
		3.2.1.1	Internal procedures review manuals for NFI	Q2	Manuals
		3.2.4	OST for CMA officials.	Q1	OST/Training
			A qualifying course for each NFI: Assets-backed securities (Q2) Bonds (Q2) Margin trading, short selling, same-day trading (Q2) Mutual funds (Q4)	Q1-4	Training
		3.2.6	Recommended amendments to the law and regulations for mutual funds.	Q2	Recommendations
		3.2.8.1	Policy paper	Q1	Policy Paper
			Final regulations and rules	Q1	Rules and regulations
		3.2.8.2	Draft amendments to regulations.	Q2	Draft amendments
			Operational changes to the registry, including title registration replacing deeds registration.	Q3	Operational Changes
			Internal/external registration procedures manual.	Q3	Manual
	3.2.9	Workshop for judges on NFI	Q4	Workshop	
	3.2.10	Five-year business plan	Q1	Business plan	
		Manual of regulatory compliance	Q1	Regulatory manual	
		Investment policy	Q2	Policy	
		Proposed organizational structure	Q2	Organizational Structure	
A private equity offering memorandum		Q1	Memorandum		
<b>3.3</b>	3.3.1	A working group of registry policy makers is constituted.	Q1	Working Group	

			Seminar on principles of secured lending, model laws and best practices	Q1	Seminar
			Seminar on collateral registry: business and IT requirements of a modern registry	Q2	Seminar
			OST of one or more relevant model collateral registries.	Q2	OST/Training
		3.3.3	Assessment report	Q2	Report
		3.3.4	A detailed plan to implementing the strategy	Q4	Implementation Plan
	3.4	3.4.1	Comparative review of dispute resolution models and recommendation	Q3	Report
			Roundtable with foreclosure judges	Q2	Roundtable
		3.4.2	Draft law, regulations and rules	Q4	Rules and Regulations
<b>Task</b>	<b>KRA</b>	<b>Activity</b>	<b>Deliverable</b>	<b>Quarter</b>	<b>Type of Deliverable</b>
<b>TASK 4</b>	4.1	4.1.2	Regulatory Manual	Q2	Manual
		4.1.2	Review report / final license granted to ESTEALAM	Q4	Report
		4.1.4	Technical report	Q3	Report
		4.1.6	Technical report	Q2	Report
		4.1.7	Training programs for CBE: <ul style="list-style-type: none"> <li>Audit 411: SANS 17799 Security and Audit Frame Works.</li> <li>Audit 507: Auditing Networks, perimeters, and systems.</li> <li>Consumer Protection Rights with Federal Trade Commission</li> </ul>	Q3	Training
		4.1.8	Technical Report	Q3	Report
	4.2	4.2.3	Report on the outcome of EFS contacts with ministries		Report
			Workshop on government agencies as information providers	Q3	Workshop
		4.2.5	Report with the outcome of this activity	Q1	Report
		4.2.6	TBD		
		4.2.8	Report on the progress of the legal committee	Q3	Report
			Materials/presentation provided by EFS to the committee	Q1-4	EFS materials
		4.2.9	Technical report on capacity building and a formal presentation to be presented to ESTEALAM board of directors	Q1	Report
		4.2.10	Legal research report	Q3	Report
		4.2.11	Technical report	Q4	Report
		4.2.12	Report to introduce MFIs to ESTEALAM.	Q1	Report
			Report with recommendations on procedures and guidelines for ESTEALAM to conduct due diligence.	Q3	Report
			Workshop for microfinance institutions and the Social Fund for Development.	Q3	Workshop
		4.2.13	Survey reports and/or formal presentation(s) to be delivered to ESTEALAM BOD.	Q2	Report
Presentations and summary of the round table discussion	Q2		Presentations		
4.2.14	OST to a country (ies) with public and private credit registries	Q3	OST/Training		
	Report on OST to include presentations delivered in the seminar(s) and /or materials	Q3	Report		

			Presentations delivered in the seminar(s) and /or materials/presentations obtained in the OST		
	<b>4.3</b>	4.3.3	Public Awareness Strategy	Q2	PA Strategy
			Launch event	Q2	Event
			Media event	Q2	Event
			Informational publication	Q3	Publication
			Event to orient consumer protection officers at CBE and ESTEALAM on how to deal with the public	Q4	Event



## ANNEX B

**Projected Public Awareness Crosscutting Activities**

Activity	Description	Quarter	Type of Deliverable
<b>Communication and Outreach Strategy</b>	Communication strategies serving the four tasks with special focus on MFA, associations, and credit bureau.	Q1-3	Communication Strategies
<b>Communication Capacity Building</b>	A report highlighting the capacity building efforts for each stakeholder with special focus on MFA.	Q2	Report
<b>Media Education</b>	Media education workshops focusing on different issues related to mortgage finance, registration, financial instruments and credit bureau	Q1-4	Event reports
	Press Forums to announce major changes, projects kick-offs, and achievements related to the four tasks.	Q1-4	Event reports
	Press releases and media interviews with key stakeholders	Q1-4	Press releases and Interviews
<b>Publications</b>	Publications serving the four tasks including fact sheets on the roles of key players and the processes related to mortgage finance, registration, financial instruments and credit bureau.	Q1-4	Publications
<b>Events</b>	A number of outreach events targeting stakeholders to increase their knowledge and awareness about different concepts related to mortgage financing.	Q1-4	Event reports
	Events for opinion leaders, key media figures, heads of different business associations and NGOs, economic and business academic professors among others.	Q3, 4	Events reports
<b>Research</b>	Pulse surveys conducted with the objective of understanding of the market.	Q1-4	Reports on findings
<b>EFS Newsletter</b>	Four issues (quarterly) of EFS newsletter	Q1-4	Project Newsletter
<b>“Own Your Home” Mortgage Brand</b>	Mortgage finance promotional materials, events banners and press releases highlighting the brand.	Q1-4	Miscellaneous Branding Materials
<b>Image Database</b>	Mortgage finance electronic albums	Q2	Image Database



**ANNEX C**

**INSERT NEW TRAINING MATRIX**

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**ANNEX D**

**Task 1: Establish a Supporting Framework for the Real Estate Finance Industry**

1.1 Strengthen MFA's Institutional Capacity to Supervise the Real Estate Finance Industry in Egypt						<b>KEY:</b> Activity start and end Event/Program ● → Ongoing activity .....→	
Focus Area		Q1	Q2	Q3	Q4	Deliverable	Outcome
1.1.5	MFA institutional strengthening, capacity building and training.	●				Overseas study tours for MFA executive level management	Maturing functional areas such as industry affairs/regulation and consumer protection. Regulatory guidelines in place for critical risk areas, such as lending by MFCs and other lenders.
			●			Short course in the U.S. for MFA executive level management.	
1.1.6	IT support for MFA.	→	→			Phase II procurement	Improved MFA IT operations/capabilities.
			→			Functioning operating systems	
1.1.7	Enhance the role of the MFA as regulator.		→			Regulations for MFCs	Enhanced capacity of MFA as regulator Operational regulated mortgage liquidity facility with proper investment policy (see KRA 3.2, Task 3).
			→			Onsite inspection of at least one MFC	
1.1.8	Public awareness support to the MFA.	→				MFA communication strategy	Functioning MFA communication unit.
		→				MFA fact sheet	
1.1.10	Enhance the consumer protection function at the MFA.			→		Disclosure policies in accordance with best practices	Consumer protection exists within a regime of adequate disclosure and supervision.
1.2 Required Legal, Regulatory and Administrative Reforms Promulgated and Investment Standards and Allocation Guidelines for Long Term Investments Established							
Focus Area		Q1	Q2	Q3	Q4	Deliverable	Outcome
1.2.1	Required legal, regulatory, and administrative reform.					Pilot offices in area recommended by mortgage lenders (TBD)	Significant increase in mortgage loans.
					→	Position papers to lobby officials on reform	
1.2.2	Research legal reform				→	Legal Reform Concept Paper, 2006 edition	Quarterly updates.
1.2.3	Standard Documentation.	→				Standard mortgage contracts	Standardized mortgage contract for MFCs. and banks which will support development of both the primary and secondary markets.
			●			Workshop on standard contracts for lenders	

1.3 Real Estate Professions Stimulated, Industry Brought to International Standards & Other Services Developed						
Focus Area	Q1	Q 2	Q3	Q4	Deliverable	Outcome
1.3.1	Identify and prioritize associations that are necessary for a healthy real estate and mortgage lending market in Egypt.	→			Directory of real estate associations	Shared knowledge base.
1.3.3	Conduct basic-level training for targeted associations that are established or in preliminary stages of establishment.	.....→			Training programs in association management	Improved association management skills to ensure development and sustainability of private sector associations of real estate professionals.
1.3.5	Explore possibility of MFA-sponsored workshop.		●		National Real Estate Conference	Cooperation and information sharing among associations in the real estate sector.
1.3.6	Public-private partnerships for licensing of real estate professionals.				Licensing plan; MFA approved professional education. Timing TBD.	Public-private partnership established between the associations and the MFA, leveraging private sector expertise and resources to create a fair, open market.
1.3.7	Investigate ways to use existing industry data systems in a shared environment.			→	Agreement among members on data systems in shared environment	Progress toward a multi-listing system and similar market information exchange databases.
1.3.8	Association capacity building to train real estate professionals.	.....→			Mortgage finance training programs	Real estate-related professionals trained and best practices introduced.
		.....→			Appraisal training programs	
1.3.9	Implementation of EFS association development plan with EFS association partners.	.....→			Association strategy implemented with partner associations	Improved capacity and management of partner associations.

1.4 Stable Term Funding Established and Loans Originated							
Focus Area		Q1	Q2	Q3	Q4	Deliverable	Outcome
1.4.1	Identify and contact primary lenders and investigate current lending practices.						MFCs in stronger position to make loans according to best practices using high volume operations and systems. Exchange of EFS services in return for improved data and understanding of bank activity.
	1.4.1.1 Capacity building of mortgage finance companies.	→				Solutions to problems and obstacles in mortgage lending. Credit, loan, and other operating manuals for MFCs	
	1.4.1.2 Capacity building for bank mortgage lenders.	→				Plan to market EFS project services to banks Database of mortgage-related activity	
			.....→			Bank participation in training, workshops, working groups, and other EFS services	
1.4.2	Initiate quarterly check of loan data (against base line) with primary lenders and supervisory regulators to measure and monitor growth.					Expanded loan data to include mortgage loans by banks and personal loans secured by housing units	Broader and better indicator of actual real estate financing.
			.....→				
1.5 Enhanced Capacity of Courts to Mediate/Adjudicate Real Estate Lending (enforce foreclosure)							
Focus Area		Q1	Q2	Q3	Q4	Deliverable	Outcome
1.5.3	Organize training on legal principles and procedures	→				Final workshop materials with NCJS lawyers	Make judges and foreclosure agents aware of foreclosure issues and how rulings can be reached.
			●	●		Foreclosure workshop	
						Workshop for lawyers. <b>TBD</b>	
						Workshop for lenders and other real estate professionals. <b>TBD</b>	

## Task 2: Improve Operation of Urban Registration System in the Ministry of Justice

2.1		MOJ and ESA Establish a Strong Working Relationship and Commitment to Improve the Registration System in Urban Areas				<b>KEY:</b> Activity start and end Event/ Program   Ongoing activity 	
Focus Area		Q1	Q2	Q3	Q4	Deliverable	Outcome
2.1.2	Establish advisory/steering committee and working groups (as needed).						Creation and establishment of advisory/steering committee by the minister of investment.
	2.1.2.1 EFS project management will assist the minister of investment in the creation of a project-wide advisory/steering committee					Draft memorandum on composition, membership, and role of advisory/steering committee for review/action by the minister of investment.	
	2.1.2.2 Advisory/steering committee review meetings.					Briefing papers as required.	
2.1.3	Authorization to commence work on preparatory title registration at two registration districts.					Draft operational plan for first registration.	
2.1.5	Identify GOE objectives on short-term priorities for urban registration to include best use of donor resources.					Preparatory Notes for MOJ/REPD and ESA to discuss/review directly with World Bank.	
2.1.10	Observational study tour for GOE senior officials to assess best practices and institutional models.					Observational study tour and report on findings and recommendations. <b>Q2 or 3</b>	Better informed policy makers.
2.1.12	Detailed assessment and proposals for legal and regulatory change.					Various draft Executive Regulations and draft regulation on Divided Co-ownership; Proposed amendments to Law 142/1964.	
2.2		Redesign and Automation of Business Applications for Title Registration in Urban Areas					
Focus Area		Q1	Q2	Q3	Q4	Deliverable	Outcome
2.2.8	Analyze current status of paper records for cadastral records					Brief technical report on improved document management.	
2.2.9	Address functionality requirements in proposed applications, their design, architecture, reliability, flexibility, and scalability.					Functional specifications for title registration system.	

2.2.10	Acquire and configure automated systems to capture, maintain, and manage survey data and cadastral information.		→			Customized GIS application.	
2.2.11	Acquire and configure automated systems to capture, maintain, and manage title records information.		→			Customized title registration system for first registration and subsequent transactions.	
<b>2.3 Implementation Plan for Two Model Office Locations</b>							
<b>Focus Area</b>		<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Deliverable</b>	<b>Outcome</b>
2.3.1	Equipment procurement and logistics plan for Training Development Laboratory (TDL)	→				Bid tender and awards for IT component.	TDL operational.
2.3.2	Site preparation/refurbishment and equipment installation at TDL.	→				Bid tenders for site preparation at TDL facility.	TDL operational.
2.3.3	Select and lease two model office sites for preparatory title registration	→					Two leased office spaces.
2.3.4	Equipment procurement and logistics plan for two model offices and EPO offices.		→			Bid tender and awards for IT component.	
2.3.5	Site reparation/refurbishment and equipment installation at model offices and EPO offices.			→		Bid tenders for site preparation at model offices and EPO offices.	
2.3.6	Training program to support first and subsequent registration.		→			Comprehensive training program with training manuals	Training curriculum and course materials completed.
2.3.7	Housing typologies assessment and selection of cadastral zones in two model office locations.	→				Housing typology and market assessment report for Nasr City, Maadi and 6 <sup>th</sup> October. The report will identify areas (cadastral zones) within each district that are prime candidate areas for residential mortgages.	Selection of cadastral zones.
2.3.8	Prepare operational and resource plan to implement first registration.	→				Operational and resource plan for field services – first registration.	
	2.3.8.1 Prepare budgets, bid tenders, and award contracts to private companies to perform field survey		→			Technical guidelines/instructions to perform field services by private sector personnel and quality assurance/quality	

	services.					control and accreditation standards.	
	2.3.8.2 Prepare budgets, bid tenders, and award contracts to private companies to collect data on ownership claims.				→	Performance-based contracts to collect data on ownership claims.	Training of private sector personnel at both the TDL and ESA.
	2.3.8.3 Prepare budgets, bid tenders and award contracts to private companies to perform public awareness, education, and outreach.				→	Performance-based contracts to perform public awareness, education, and outreach.	
	2.3.8.4 Scan, update, and organize existing deed records				→	Digital extract of deed records.	
<b>2.4</b>	<b>Replication Plan for Urban Areas supported by GOE/World Bank Funds</b>						
	<b>Focus Area</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Deliverable</b>	<b>Outcome</b>
2.4.1	Assist both MOJ/REPD and ESA to identify urban areas and components for funding under the proposed World Bank loan.				→	Preparatory notes/briefing papers for discussion with World Bank.	
<b>2.5</b>	<b>Mechanisms to Resolve Land and Real Property Disputes</b>						
	<b>Focus Area</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Deliverable</b>	<b>Outcome</b>
2.5.1	Review and assess case load and cases involving property disputes in the civil courts.				→	Technical report on assessment of property-related disputes in the civil courts.	
<b>2.6</b>	<b>Potential Scope for Private Sector Participation in the Provision of Property Registration Related Services</b>						
	<b>Focus Area</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Deliverable</b>	<b>Outcome</b>
2.6.1	Identify long-term strategy to create and establish private sector capacity and role in the provision of cadastral survey and mapping services.		→			Discussion paper and strategy on privatizing survey services.	

### Task 3: Develop Framework and Procedures for Secured Lending and New Financial Instruments

3.1 Diversity of Financial (for Investors) and Financing (for Borrowers) Instruments Expanded						<b>KEY:</b> Activity start and end Event/ Program   Ongoing activity 	
Focus Area		Q1	Q 2	Q3	Q4	Deliverable	Outcome
3.1.1	Liaise with the Inter-Industry Advisory Group on financial instruments.					Report of an assessment, strategy, implementation plan, and a three-year timetable for introducing new financial instruments.	Counterpart strategy to introduce new financial instruments.
						List of statutory provisions on investment policies governing institutional investors.	
3.1.2	Conduct a series of workshops on new financial instruments.					Workshops and materials.	A cadre of industry participants familiar with new financial instruments.
3.1.3	Plan and execute public awareness campaigns.					Two press forums.	Selected audience and financial press familiar with new financial instruments
						Five publications on new financial instruments	
3.2 Market and Regulatory Capacity Enhanced for New Instruments							
Focus Area		Q1	Q 2	Q3	Q4	Deliverable	Outcome
3.2.1	Enhance the CMA market rules and regulations.					Draft regulations and rules for new financial instruments and market.	Documented procedures of CMA review of securities issues. Introduction of new financial instruments tailored to the needs and interests of businesses and investors.
	3.2.1.1 Develop internal CMA procedures manuals for new financial instruments.					Internal procedures review manuals for new financial instruments.	
3.2.4	Provide training for market regulatory and operational staff in the new rules and regulations.					Observational study tour for CMA officials.	Regulators' and intermediaries' staffs trained to deal in new financial instruments.
						A qualifying course for each new financial instrument.	

3.2.6	Enhance the regulatory framework for mutual funds to conform to international standards.		→			Recommended amendments to the law and regulations for mutual funds.	A revised legal and regulatory framework governing mutual funds.
3.2.8	Enhance the legal and regulatory framework for financial leasing and factoring.						
3.2.8.1	Factoring	→				Policy paper on factoring.	Legal and regulatory foundation of factoring.
		→				Final regulations and rules for factoring.	
3.2.8.2	Leasing	→				Draft amendments to regulations.	Legal and operational reform of leasing.
				→		Operational changes to the registry, including title registration replacing deeds registration.	
				→		Internal/external registration procedures manual.	
3.2.9	Workshops for judges on new instruments, laws, and regulations.		→			Workshop on new financial instruments.	Judges familiar with new financial instruments.
3.2.10	Establish an operational Mortgage Finance Liquidity Facility.	→				Five-year business plan	An operational regulated mortgage liquidity facility with proper investment policy.
		→				Manual of regulatory compliance	
			→			Investment policy	
			→			Proposed organizational structure	
		→				A private equity offering memorandum	
<b>3.3</b>	<b>Modernized Collateral Registry in Operation to Secure Interest in Personal (Movable) Property</b>						
	<b>Focus Area</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Deliverable</b>	<b>Outcome</b>
3.3.1	Establish Collateral Registry Working Group.	→				A working group of registry of policy makers is constituted.	A working group cognizant of collateral registry benefits and operations.
			●			Seminar on principles of secured lending, model laws, and best practices.	
			●			Seminar on collateral registry: business and IT requirements of a modern registry.	
			●			Observational study tour of one or more relevant model collateral registries.	
3.3.3	Assess existing registry.		→			Assessment report.	A strategic decision on reform.

3.3.4	Develop a strategy and implementation plan for the collateral registry.				→	A detailed plan to implementing the strategy.	Strategy to establish a collateral registry for implementation.
<b>3.4</b>	<b>Enhanced Capacity of Courts to Mediate Secured Lending Disputes</b>						
	<b>Focus Area</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Deliverable</b>	<b>Outcome</b>
3.4.1	Review possible restructuring of courts to deal with secured-lending transactions			→		Comparative review of dispute resolution models and recommendation.	Models of administrative or judicial resolution of disputes identified.
3.4.2	Recommend draft legal framework. (for the above unit, as needed)				→	Draft law, regulations, and rules.	Legal framework for proposed dispute resolution mechanism.

### Task 4: Establish Credit Information System

4.1		<b>Strengthen the Capacity of CBE for Oversight of Private Information Systems and Protection of Consumer Rights</b>				<b>KEY:</b> Activity start and end → Ongoing activity .....→ Event/ Program ●	
Focus Area		Q1	Q2	Q3	Q4	Deliverable	Outcome
4.1.2	Review and assess present regulatory capability within CBE to oversee a private credit bureau.		→			Regulatory manual	Improved CBE regulatory system. Final license granted to ESTEALAM.
					→	Review report/final license granted to ESTEALAM.	
4.1.4	Assist the CBE to consolidate its role as the authority that will oversee consumer protection as pertains to credit bureau operations.			→		Technical report.	Increased capacity to protect consumer rights.
4.1.6	Assist the CBE to review and assess IT requirements.		→			Technical report.	Increased capacity to regulate IT of credit bureaus.
4.1.7	Training for CBE.			.....→		Training programs for CBE.	Trained CBE staff.
4.2		<b>Private Sector Credit Bureau Operational</b>					
Focus Area		Q1	Q2	Q3	Q4	Deliverable	Outcome
4.2.3	Conduct a workshop targeting government agencies that provide information.					<b>Report on the outcome of EFS contacts with ministries</b>	Increased understanding of the role of government agencies in a credit information system's success.
				●		Workshop on government agencies as information providers.	
4.2.5	Study and determine the best mechanism for government agencies and non-bank financial institutions to provide and share information with a private credit bureau.	→				Report with the outcome of this activity	Recommendation on the best mechanism to provide information and link to the credit bureau.
4.2.6	Analyze the quality and timeliness of demographic and other essential information controlled by state agencies that will feed into a private credit bureau.					TBD	Assessed suitability of the databases.
4.2.8	Provide guidance and participate in a legal committee formed by ESTEALAM and CBE.			→		Report on the progress of the legal committee.	Increased ability to draft agreements and forms used by private sector credit bureau Increased ability of legal directors of banks to represent their banks in signing agreements with the credit bureau.
				→		Materials/presentation provided by EFS to the committee.	

4.2.9	Capacity building for the private credit bureau.	→				Technical report and a formal presentation to be presented to ESTEALAM board of directors.	Improved operational capacity at the private credit bureau.	
4.2.10	Identify and analyze the adequacy of public record information and the periods of their availability under the Egyptian legal system.			→		Legal research report.	Assessment of the suitability of the legal information in the Egyptian court system to be provided to the private sector credit bureau as well as any impediments in the provision of information.	
4.2.11	Assist ESTEALAM in establishing accounting and auditing systems.				→	Technical report.	Established and functioning accounting and auditing systems.	
4.2.12	Conduct a study/review of the microfinance institutions (MFIs) and the Social Fund for Development.	→				Report to introduce MFIs to ESTEALAM.	Microfinance and credit bureau institutions knowledgeable of initiatives in credit information.	
				→		Report with recommendations on procedures and guidelines for ESTEALAM to conduct due diligence.		
					●	Workshop for MFIs and the Social Fund for Development.		
4.2.13	Assist ESTEALAM conduct market survey of suppliers of goods and services in the private sector.				→	Survey reports and/or formal presentation(s) to be delivered to ESTEALAM's board of directors.	ESTEALAM and suppliers of goods and services better understand credit bureau requirements.	
4.2.14	Undertake an overseas study tour to credit bureau(s).					●	Observational study tour to countries with public and private credit registries.	Government officials appreciate their role as information providers and show increased willingness to provide databases to the credit bureau ESTEALAM and CBE appreciate how two registries can exist side-by-side and serve different requirements.
					→		Report on study tour to include presentations delivered in the seminar(s) and/or materials and presentations obtained on the study tour.	
<b>4.3</b>	<b>System of Protection in Place for Consumer Right</b>							
	<b>Focus Area</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Deliverable</b>	<b>Outcome</b>	
4.3.3	Assist the CBE and ESTEALAM to develop a public awareness strategy.		→			Public awareness strategy	Improved capacity of CBE and ESTEALAM staff to deal with the public and consumers Increased awareness among consumers of their rights and how to deal with credit bureaus.	
				●		Launch event		
				●		Media event		
					→	Informational publication		

