

PD HAE 201

PK Amdt.

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

C A = Add
C = Change
D = Delete

Amendment Number
6

DOCUMENT CODE
3

2. COUNTRY/ENTITY

EGYPT

3. PROJECT NUMBER

263-0026

4. BUREAU/OFFICE

NE

03

5. PROJECT TITLE (maximum 40 characters)

Technology Transfer & Manpower Dev. III

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY
05 31 84

7. ESTIMATED DATE OF OBLIGATION
(Under 'B' below, enter 1, 2, 3, or 4)

A. Initial FY 77

B. Quarter

C. Final FY 82

8. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY 77			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	4,500		4,500	34,500		34,500
(Grant)	(4,500)	()	(4,500)	(34,500)	()	(34,500)
(Loan)	()	()	()	()	()	()
Other U.S.						
1.						
2.						
Host Country						
Other Donor(s)						
TOTALS						

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1)ESF	990			29,500		5,000		34,500	
(2)									
(3)									
(4)									
TOTALS				29,500		5,000		34,500	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

11. SECONDARY PURPOSE CODE

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code	TECH	EQTY	NUTR
B. Amount			

13. PROJECT PURPOSE (maximum 480 characters)

Assist the Government of Egypt by financing the cost of technical exchanges, training, and related commodities required by the Egyptian Government to solve technical or planning and managerial problems in its programs and, at its request, in those of the private sector.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
0 8 8 3

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 Local Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a 4 page PP Amendment)

This amendment extends the life of project by one year and adds \$5 million to cover approved training programs and other activities related to manpower development and technology transfer for the remainder of FY 1982 and through FY 1983 by which time a new project will be designed and operational.

17. APPROVED BY

Signature

[Signature]
(Owen Cylke)

Title

Acting Director

Date Signed

8/29/82

MM DD YY

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

MM DD YY

Project: Technology Transfer and Manpower Development III
263-0026

The Technology Transfer and Manpower Development Project has served since 1977 as the Mission's medium to respond to the large demand of the Government of Egypt for non-project training. Currently, the Mission uses this project to finance training requests which are both ad hoc and incorporated within longer range training plans. These requests meet urgent needs for upgraded and new scientific, technical, and managerial skills required by the public and private agencies, institutions, and enterprises in Egypt.

A participant total approaching 2,500 has been sent to the U.S. for training, as well as the first 100 Peace Fellowship candidates, all financed under this project.

During FY 1982 the Mission moved to work with the Ministry of Investment and International Cooperation to restructure the thrust of the project away from its previously predominant response only to ad hoc requests. Comprehensive training plans have been developed with major ministries and agencies, notably the Ministry of Tourism and Civil Aviation, the Egyptian Railways Authority, the Suez Canal Authority, and the Ministry of Health. The project was also used to fund English language training given both project and non-project participants prior to their departures for academic and technical training.

Of the \$5 million added in FY 1981, raising the total obligation to \$29.5 million for life of project to date, all but \$839,000 have been reserved for subobligation as of June 30, 1982. (See Table I - Amendment #5 Flow of Funds Schedule.) The additional \$5.0 million FY 1982 funding requested by this amendment will finance additional planned activities through the balance of FY 1982 and through the third quarter of FY 1983, when it is expected that the new Workforce Planning and Development Project, 263-0125, will be obligated. (See Table II - Amendment #6 Projected Schedule of Training.)

The Government of Egypt provides administrative support for specialists, including in-country transportation, secretarial and translation services, as well as counterpart salaries. In a growing number of instances, the Government also provides related expenses for U.S. specialists, as well as international travel and partial per-diem for participants in the U.S.

Attachments:

- 1) Appendix 5C, AID Project Statutory Checklist
- 2) Grantee's Application for Assistance
- 3) Draft Congressional Notification and Activity Data Sheet; and Request for Ad Hoc Delegation (Cairo 16260)
- 4) Ad Hoc Delegation (State 240422)
- 5) Action Memorandum for the Acting Director, USAID

Table I

Amendment #5 - Flow of Funds Schedule

	Amount Obligated	Reserved for Subobligation	Unreserved Balance
Activities Financed	\$5,000	4,161	839
Ministry of Agriculture		10	
Ministry of Education		470	
Ministry of Health (incl. population)		500	
Ministry of Industry		30	
Ministry of Manpower		55	
Ministry of Maritime Transport		26	
Ministry of Tourism/Civil Aviation		895	
Ministry of Transport/Railways		165	
Central Auditing Agency		20	
Custom Authority		15	
Electricity Authority		15	
Investment and Free Zones Authority		70	
Investment Negotiation Seminars		55	
Oceanographic Institute		70	
Suez Canal Authority		750	
Participant English Language Training		950	
Salzburg Seminars		65	

Table II

Amendment #6 --Project Schedule of Training, CY 1982/83

Ministry of Agriculture	350
Ministry of Economy	200
Ministry of Education	200
Ministry of Finance	200
Ministry of Health (includes population)	350
Ministry of Industry	200
Ministry of Investment/International Cooperation	250
Ministry of Manpower	150
Ministry of Planning	200
Ministry of Social Affairs	200
Ministry of Tourism	50
Ministry of Transportation	150
CAPMAS	200
Electricity Authority	200
Investment and Free Zones	150
Afro-American Labor Center	600
English language participant training	800
Short-term consultancies, conferences and commodities	<u>550</u>
	\$5.000

(Candidates for training in all units above are in non-project funded areas.)

5C(2) PROJECT CHECKLIST

Listed below are statutory criteria applicable to projects. This section is divided into two parts. Part A. includes criteria applicable to all projects. Part B. applies to projects funded from specific sources only: B.1. applies to all projects funded with Development Assistance Funds, B.2. applies to projects funded with Development Assistance loans, and B.3. applies to projects funded from ESF.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

A. GENERAL CRITERIA FOR PROJECT

1. FY 1982 Appropriation Act Sec. 523; FAA Sec. 634A; Sec. 653(b).

(a) Describe how authorizing and appropriations committees of Senate and House have been or will be notified concerning the project;

(b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that amount)?

(a) Congress will be notified in accordance with regular Agency procedures.

(b) The intended obligation is within the level of funds appropriated for Egypt.

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,00, will there be

(a) engineering, financial or other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

(a) Yes

(b) Yes

3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

No further legislative action is required other than action notifying that the Grant Agreement is signed

4. FAA Sec. 611(b); FY 1982 Appropriation Act Sec. 501. If for water or water-related land resource construction, has project met the standards and criteria as set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973? (See AID Handbook 3 for new guidelines.)

N/A

5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project?

N/A

6. FAA Sec. 209. Is project susceptible to execution as part of regional or multilateral project? If so, why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.

No

7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

The project will encourage improvement of technical efficiency of industry, agriculture, and commerce by providing training to meet urgent needs for upgraded and new scientific, technical, and managerial skills required by public and private agencies, institutions, and enterprises in Egypt.

8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

US private enterprises, principally, will provide the technical services required for the project.

9. FAA Sec. 612(b), 636(h);
FY 1982 Appropriation
Act Sec. 507. Describe
steps taken to assure
that, to the maximum
extent possible, the
country is contributing
local currencies to meet
the cost of contractual
and other services, and
foreign currencies owned
by the U.S. are utilized
in lieu of dollars. No US dollars will be used to pay
for local costs.
10. FAA Sec. 612(d). Does
the U.S. own excess
foreign currency of the
country and, if so, what
arrangements have been
made for its release? Yes, but all foreign currency is
presently devoted to non-project
purposes.
11. FAA Sec. 601(e). Will
the project utilize
competitive selection
procedures for the
awarding of contracts,
except where applicable
procurement rules allow
otherwise? Yes
12. FY 1982 Appropriation Act
Sec. 521. If assistance
is for the production of
any commodity for export,
is the commodity likely
to be in surplus on world
markets at the time the
resulting productive
capacity becomes
operative, and is such
assistance likely to
cause substantial injury
to U.S. producers of the
same, similar or
competing commodity? N/A
13. FAA 118(c) and (d).
Does the project comply
with the environmental
procedures set forth in
AID Regulation 16? Does N/A

the project or program take into consideration the problem of the destruction of tropical forests?

14. FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)?

N/A

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

This Section N/A

a. FAA Sec. 102(b), 111, 113, 281(a). Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and

otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used?

c. FAA Sec. 107. Is emphasis on use of ~~appropriate~~ appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)?

d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)?

e. FAA Sec. 110(b).

Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"? (M.O. 1232.1 defined a capital project as "the construction, expansion, equipping or alteration of a physical facility or facilities financed by AID dollar assistance of not less than \$100,000, including related advisory, managerial and training services, and not undertaken as part of a project of a predominantly technical assistance character."

f. FAA Sec. 122(b). Does

the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

g. FAA Sec. 281(b).

Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage

institutional development;
and supports civil
education and training in
skills required for
effective participation in
governmental processes
essential to self-government.

2. Development Assistance Project
Criteria (Loans Only)

This Section N/A/

- a. FAA Sec. 122(b).
Information and conclusion
on capacity of the country
to repay the loan, at a
reasonable rate of interest.
- b. FAA Sec. 620(d). If
assistance is for any
productive enterprise which
will compete with U.S.
enterprises, is there an
agreement by the recipient
country to prevent export
to the U.S. of more than
20% of the enterprise's
annual production during
the life of the loan?
- c. ISDCA of 1981, Sec. 724
(c) and (d). If for
Nicaragua, does the loan
agreement require that the
funds be used to the
maximum extent possible for
the private sector? Does
the project provide for
monitoring under FAA Sec.
624(g)?

3. Economic Support Fund
Project Criteria

- a. FAA Sec. 531(a). Will
this assistance promote
economic or political

- stability? To the extent possible, does it reflect the policy directions of FAA Section 102? Yes
- b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities? Yes
- c. FAA Sec. 534. Will ESF funds be used to finance the construction of the operation or maintenance of, or the supplying of fuel for, a nuclear facility? If so, has the President certified that such use of funds is indispensable to nonproliferation objectives? No
- d. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made? N/A

5C(3) - STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed?
2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him?
3. FAA Sec. 604(d). If the cooperating country discriminates against marine insurance companies authorized to do business in the U.S., will commodities be insured in the United States against marine risk with such a company?
4. FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). If offshore procurement of agricultural commodity or product is to be

yes

Yes

N/A

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financed, is there provision against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.)

N/A

5. FAA Sec. 604(g). Will construction or engineering services be procured from firms of countries otherwise eligible under Code 941, but which have attained a competitive capability in international markets in one or these areas?

N/A

6. FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S. flag commercial vessels to the extent that such vessels are available at fair and reasonable rates?

N/A

7. FAA Sec. 621. If technical assistance is financed, will such assistance be furnished by private enterprise on a contract basis to the fullest extent practicable? If the facilities of other

Yes

Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

Yes

8. International Air Transport. Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will U.S. carriers be used to the extent such service is available?

Yes

9. FY 1982 Appropriation Act Sec. 504. If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States?

Yes

B. Construction

1. FAA Sec. 601(d). If capital (e.g., construction) project, will U.S. engineering and professional services to be used?
2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable?

This Section N/A

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3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million (except for productive enterprises in Egypt that were described in the CP)

C. Other Restrictions

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter?
2. FAA SEC. 301(d). If fund is established solely by U.S. contributions and administed by an internatioal organization, does Comptroller General have audit rights?
3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries?
4. Will arrangements preclude use of financing:
 - a. FAA Sec. 104(f); FY 1982 Appropriation Act Sec. 525: (1) To pay for performance of abortions as a method of family

N/A

N/A

Yes

planning or to motivate or coerce persons to practice abortions; (2) to pay for performance of involuntary sterilization as method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization;	(1) Yes
(3) to pay for any biomedical research which relates, in whole or part, to methods or the performance of abortions or involuntary sterilizations as a means of family planning; (4) to lobby for abortion?	(2) Yes
	(3) Yes
	(4) Yes
b. <u>FAA Sec. 620(g)</u> . To compensate owners for expropriated nationalized property?	Yes
c. <u>FAA Sec. 660</u> . To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs?	Yes
d. <u>FAA Sec. 662</u> . For CIA activities?	Yes
e. <u>FAA Sec. 636(i)</u> . For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained?	Yes
f. <u>FY 1982 Appropriation Act, Sec. 503</u> . To pay pensions, annuities, retirement pay, or	

adjusted service compensation for military personnel?

Yes

g. FY 1982 Appropriation Act, Sec. 505. To pay U.N. assessments, arrearages or dues?

Yes

h. FY 1982 Appropriation Act, Sec. 506. To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending)?

N/A

i. FY 1982 Appropriation Act, Sec. 510. To finance the export of nuclear equipment, fuel, or technology or to train foreign nationals in nuclear fields?

Yes

j. FY 1982 Appropriation Act, Sec. 511. Will assistance be provided for the purpose of aiding the efforts of the government of such country to repress the legitimate rights of the population of such country contrary to the Universal Declaration of Human Rights?

No

k. FY 1982 Appropriation Act, Sec. 515. To be used for publicity or propaganda purposes within U.S. not authorized by Congress?

Arrangements preclude use of funding for these purposes.



700032

MINISTRY OF ECONOMY
ECONOMIC CO OPERATION WITH U. S. A.
CAIRO - EGYPT

EDN

July 12, 1982

Mr. Owen Cylke
Acting Director
U.S. AID Mission
American Embassy
Cairo, Egypt

ACTION TO	HRDC	A/DIR
ACTION TAKEN		DUE DATE 7/29
NAN		INITIALS

Dear Mr. Cylke:

In September 1981 the Seventh Amendment to the Project Grant Agreement for Technology Transfer and Manpower Development III was signed. Under this Amendment five million dollars was made available for continuation of non-project training, short-term consultancies, commodity procurement, etc. This addition of funding brought the total obligated since 1977 to 29.5 million dollars.

During the 10 months since the Seventh Amendment went into effect approximately 4.5 million dollars have been subobligated or reserved. Training programs developed by a number of Egyptian agencies are being implemented by means of this project resource. The flexible nature of the project has also permitted reasonably quick responses to individual training opportunities which we learned of through the U.S. AID Mission, or which officials in our Government proposed. I estimate that some 350 Egyptians will have benefitted from training activities undertaken under the Seventh Amendment which has spanned your FY 1982.

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MINISTRY OF ECONOMY

ECONOMIC CO OPERATION WITH U. S. A.

CAIRO - EGYPT

As you are aware, the Ministry of Investment and International Cooperation has taken a renewed interest in the preparation of training plans and programs in the many Egyptian governmental units not assisted otherwise by U.S. AID Mission projects and activities. Our objective is to continue staff upgrading in new technologies and management systems as broadly as possible. We believe that a training workload in non-project areas at least as great as that handled during the past year needs again to be handled; and that short-term training; observational travel and attendance at conferences; where appropriate, academic study programs; guided research; and advisory contacts need to be maintained.

The purpose then of this letter is to request additional funding with which to continue this range of activities onward into 1982/1983. We propose that an addition of 6.0 million dollars be obligated for Technology Transfer and Manpower Development III to cover various types of upgrading that will be given to Egyptians serving in agencies not assisted in a major way by other projects. We estimate that this sum will enable between 300 and 400 hundred individuals to become involved.

My office will continue to provide a central administrative focus for the approval of training plans and individualized programs of study, research, or participation in seminars, conferences, etc. International travel will continue to be funded from a local currency account separate from this project. Where consultants



MINISTRY OF ECONOMY

ECONOMIC CO OPERATION WITH U. S. A.

CAIRO - EGYPT

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are funded under this project, their administrative support will be provided by the requesting Egyptian entity. During training abroad this Government will continue to pay salaries of its employees who are being upgraded.

I look forward to receiving a favorable reply to this request. I believe that this flexible approach to the development of human resources in Egypt is, at once, a critical need, as well as a singular collaboration between our two Governments.

Yours sincerely,

Fouad Iskandar

Senior Undersecretary of State
for Economic Cooperation with
U.S.A.

HRDC

UNCLASSIFIED

CAIRO 16260 1/2

~~Handwritten signature~~

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OO RUEHC
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ZNR UUUUU ZZH
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FM AMEMBASSY CAIRO
TO SECSTATE WASHDC IMMEDIATE 8908
BT
UNCLAS CAIRC 16260

CLASS: UNCLASSIFIED
CHRF: AID 7/1/82
APPRV: A/DIR:CCYLKE
DRFTD: HRDC/PLU:ABISSFT
CLEAR: 1.DPPF:BLUAVEY
DISTR: AID-6 AMB DCM
ECON ICA CERN

AIDAC

11/MAC

E.O. 12065:N/A
SUBJECT: PROJECT EXTENSION - PROJECT: TECHNOLOGY
TRANSFER AND MANPOWER DEVELOPMENT III 263-0026

1. FROM A/DIR CYLKE TO AA/NE FORD.

2. MISSION REQUESTS AL HCC DELEGATION OF AUTHORITY TO APPROVE A ONE YEAR EXTENSION TO THE SUBJECT PROJECT, AN INTENDED OBLIGATION OF \$6,000,000 WILL CONTINUE TO FUND TRAINING ACTIVITIES THROUGH THE THIRD QUARTER FY 1983 WHEN IT IS EXPECTED THAT THE NEW WORKFORCE PLANNING AND DEVELOPMENT PROJECT WILL BE IN PLACE TO SUPERSEDE SUBJECT PROJECT. FOLLOWING IS SUGGESTED NARRATIVE FOR CONGRESSIONAL NOTIFICATION AND REVISED ACTIVITY DATA SHEET FOR SUBJECT PROJECT AND EXTENSION.

3. ADVICE OF PROGRAM CHANGE

COUNTRY : EGYPT
PROJECT TITLE : TECHNOLOGY TRANSFER AND MANPOWER DEVELOPMENT III
PROJECT NUMBER : 263-0026
FY 1982 CP REFERENCE : NONE
APPROPRIATION CATEGORY : ECONOMIC SUPPORT FUND
INTENDED OBLIGATION : \$6,000,000

THIS IS TO ADVISE THAT A.I.D. PLANS TO OBLIGATE A TOTAL OF \$6,000,000 IN FY 1982 GRANT FUNDS FOR THIS PROJECT, INCREASING THE LIFE-OF-PROJECT COST TO \$35,500,000. IT HAD BEEN ANTICIPATED THAT FY 1981 WOULD BE THE FINAL OBLIGATION YEAR OF THIS PROJECT: THEREFORE, NO REFERENCE TO IT WAS MADE IN THE FY 1982 CONGRESSIONAL PRESENTATION. THIS WILL BE THE FINAL OBLIGATION TO THE TECHNOLOGY TRANSFER AND MANPOWER DEVELOPMENT III PROJECT. THE ADDITIONAL \$6,000,000 WILL FINANCE PLANNED PARTICIPANT TRAINING ACTIVITIES THROUGH THE BALANCE OF FY 1982 AND THROUGH THE THIRD QUARTER OF FY 1983 WHEN IT IS EXPECTED THAT THE NEW WORKFORCE PLANNING AND DEVELOPMENT PROJECT WILL BE IN PLACE.

4. ACTIVITY DATA SHEET

PROGRAM : EGYPT
TITLE : TECHNOLOGY TRANSFER AND MANPOWER DEVELOPMENT III

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GRANT : YES
 CONTINUING : YES
 FUNDS : ECONOMIC SUPPORT FUND
 PRIOR REFERENCE : FY 84 APS
 PROPOSED OBLIGATION: FY 82 - 6,000
 LIFE OF PROJECT - 35,500
 INITIAL OBLIGATION - FY 77
 ESTIMATED FINAL OBLIGATION -- FY 82
 ESTIMATED COMPLETION DATE OF PROJECT - 86

PURPOSE: TO UPGRADE THE SCIENTIFIC, TECHNICAL AND MANAGERIAL STAFF AND ACTIVITIES OF PUBLIC AGENCIES, INSTITUTIONS AND ENTERPRISES IN EGYPT.

BACKGROUND AND PROGRESS TO DATE: EGYPTIAN SCIENTISTS, ADMINISTRATORS AND MANAGERS, ISOLATED FROM U.S. TECHNOLOGY AND ADMINISTRATIVE EXPERTISE BECAUSE OF THE BREAK IN DIPLOMATIC RELATIONS FROM 1967 TO 1974, NEED TO BE BROUGHT UP TO DATE QUICKLY THROUGH RENEWED CONTACT WITH AMERICAN TECHNOLOGY AND EXPERTISE. THIS PROJECT FINANCES THE FOREIGN EXCHANGE COST OF TECHNICAL ASSISTANCE AND TRAINING TO UPGRADE THE SCIENTIFIC, TECHNOLOGICAL, PLANNING, MANAGERIAL AND ADMINISTRATIVE CAPABILITIES OF GOVERNMENT AGENCIES, RESEARCH INSTITUTIONS, AND OTHER DEVELOPMENT - ORIENTED ORGANIZATIONS IN EGYPT, AS WELL AS THE COMMODITIES THAT EMBODY APPROPRIATE KINDS OF TECHNOLOGIES. FUNDS FROM THIS PROJECT ALSO PROVIDE THESE SERVICES TO THE PRIVATE SECTOR UPON REQUEST OF THE EGYPTIAN GOVERNMENT.

AS OF JUNE 30, 1982, APPROXIMATELY 2,375 PARTICIPANTS, WHOSE TRAINING WAS FINANCED BY THIS PROJECT AND TWO PREDECESSOR PROJECTS, HAVE COMPLETED PROGRAMS IN THE U.S. AND THREE COUNTRIES AND RETURNED TO EGYPT.

HOST COUNTRY AND OTHER DONORS: THE GOVERNMENT OF EGYPT PROVIDES ADMINISTRATIVE SUPPORT FOR SPECIALISTS, INCLUDING IN-COUNTRY TRANSPORTATION, SECRETARIAL AND TRANSLATION SERVICES, AS WELL AS COUNTERPART SALARIES. IN A GROWING NUMBER OF INSTANCES, THE GOVERNMENT ALSO PROVIDES RELATED EXPENSES FOR U.S. SPECIALISTS, AS WELL AS INTERNATIONAL TRAVEL AND PARTIAL PER-DIEM FOR

PARTICIPANTS IN THE U.S.

FY 1982 PROGRAM: SIX MILLION DOLLARS REQUESTED FOR
FY 1982 WILL FINANCE AN ESTIMATED 1,500 MONTHS OF PARTICI-
PATING TRAINING IN A WIDE VARIETY OF FIELDS RELATED TO
SOCIO-ECCNOMIC DEVELOPMENT.

BENEFICIARIES: THE DIRECT BENEFICIARIES ARE THE PEOPLE
AND ORGANIZATIONS RECEIVING THE SERVICES, COMMODITIES,
TRAINING AND EXCHANGE VISITS FINANCED UNDER THIS PROJECT.
TO THE EXTENT THE INCREASED KNOWLEDGE THUS GENERATED
REMOVES SCIENTIFIC, TECHNOLOGICAL OR MANAGERIAL OBSTACLES
TO DEVELOPMENT, BENEFITS WILL ACCRUE TO A LARGER PART OF
THE POPULATION.

MAJOR OUTPUTS:	(ALL YEARS)
1. PERSON MONTHS OF TECHNOLOGY ASSISTANCE	950
2. PERSON MONTHS OF TRAINING	13,500
3. PLACEMENT OF COMMODITIES	\$900

A.I.D. FINANCED INPUTS:	(\$ THOUSANDS FY 82)
1. PARTICIPANT TRAINING	6,000
-	
TOTAL	6,000

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#6260

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TO AMEMBASSY CAIRO IMMEDIATE 9722
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UNCLAS STATE 240422

ACTION TO	HRDC	DRPE
ACTION TAKEN		DUE DATE 8/29
NAME		INITIALS <i>u</i>

27 AUG 82
TOR: 0800
CN: 06645
CHRG: AID
ACTION: AID-6
INFC: AME DCM
CHRON ECON 10/A0

AJFAC

P.O. 12356: N/A

TAGS:

SUPJ : EGYPT - TECHNOLOGY TRANSFER AND MANPOWER
DEVELOPMENT III PROJECT (263-0026) - AD HOC DELEGATION

1. TH- AD HOC DELEGATION OF AUTHORITY WHICH WAS SIGNED
BY PETER MCPHERSON ON AUGUST 17, 1982 READS AS FOLLOWS:

QUOTE

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT

AD HOC DELEGATION OF AUTHORITY

1. PURSUANT TO THE AUTHORITY VESTED IN ME BY IDCA DELEGA-
TION OF AUTHORITY NUMBER 1, DATED OCTOBER 1, 1979, I HEREBY
DELEGATE TO THE AID MISSION DIRECTOR FOR CAIRO, EGYPT,
OR WHOEVER IS ACTING IN SUCH CAPACITY, THE AUTHORITY TO
APPROVE AND AUTHORIZE AN AMENDMENT TO THE TECHNOLOGY
TRANSFER AND MANPOWER DEVELOPMENT III PROJECT TO ALL
SIX MILLION DOLLARS (6,000,000) IN FUNDING AND TO EXTEND
THE PROJECT FOR ONE YEAR.

2. THIS DELEGATION OF AUTHORITY SHALL BE EFFECTIVE
IMMEDIATELY. UNQUOTE. SHULTZ

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STATE 240422

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UNITED STATES AGENCY for INTERNATIONAL DEVELOPMENT

CAIRO, EGYPT

ACTION MEMORANDUM FOR THE ACTING DIRECTOR

FROM : Adolph Y. Wilburn, WDC/EDU/TRNG
SUBJECT : Project 263-0026, Technology Transfer and
Manpower Development

Issue.

Your approval is required to amend Project 263-0026, extending the LOP by one year and adding \$5 million.

Discussion.

Funds for the Technology Transfer and Manpower Project were initially obligated in FY 77. In subsequent years, the Project Authorization was amended five times, bringing the total amount of funding to \$29.5 million. Of this amount, \$19.5 has been disbursed, \$5.3 million subobligated and \$4.4 million reserved leaving a balance of approximately \$300,000 for new activities as of this date.

It is the intention of the Mission to design a replacement program for the Technology Transfer and Manpower Development Project during FY 83. However, to maintain the Mission's capacity to respond to eligible and desirable new activities in technology transfer and manpower development during the design of the new project, it is necessary to add funding to the 0026 Account and extend the LOP by one year.

The situation is critical. There are insufficient funds in the '0026 Account to continue activities already partially funded. For example, the AALC grant is due for renewal. The FY 83 budget for this grant is estimated at \$583,000. About half of this amount is available.

The PP amendment proposes no substantive changes in the Project. The major outstanding issue relates to the status of reservations and subobligations under the Project. Some of these date back to its beginning and have not, as of yet, been fully reviewed.

Recently, at the request of EDU, CON queried all Offices as to the status of subobligations, requesting that they identify unused subobligated funds. The initial results of this review suggest that approximately \$200,000 is available for reprogramming. CON is now repeating this process with regard to reservations. At a minimum, CON's review of reservations will take one month as it is necessary to query all Offices again. It is unlikely, however, that this review will release sufficient funds to sustain an active technology transfer and manpower development program while the 0026 replacement project is being designed. Additional funding will be required to accomplish this.

In order to maintain a more current record of reservations and subobligations, CON and EDU will develop new financial procedures to manage the 0026 Account. For example, in the future, unless explicitly stated otherwise, reservations will be valid for one year only. Any reserved funds which are not subobligated within this period will automatically be de-reserved. Similarly, funds will be subobligated on the basis of signed contracts, PIO/Ps or similar commitment documents only. Mission personnel will be advised of the new requirements for Project 0026 through an amendment to M.O. 3-22, "Guidelines for Use of Mission Project Development and Support (PD&S) Activities."

The Project Committee has approved the attached PP Amendment. The ADs of the major user Divisions of this Project, AGR, and HRDC, are members of the Project Committee. Their approval confirms the requirements for this amendment.

The Administrator has approved an ad hoc delegation of authority authorizing the AID Mission Director for Cairo or whoever is Acting to approve and authorize an amendment to the 0026 Project adding \$6 million and extending the LOP for one year (See STATE 238561, attached).

Congressional notification was made on August 4, 1982.

Recommendation.

It is recommended that you approve a one year extension of Project 263-0026, Technology Transfer and Manpower Development, and the addition of \$5 million to the Project. Your signature on the attached PP facesheet and Authorization Amendment will signify your approval.

Attachments:

1. Project Authorizations and Amendments one through five.
2. STATE 238561

Clearances:

LEG: W. Lewis

CONT: CP

DPPE: RAS

Drafter: HRDC/EDU: KSchwartz: ch: 8/27/82

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8/7/81

AGENCY FOR INTERNATIONAL DEVELOPMENT

PROJECT DATA SHEET

1. TRANSACTION CODE

C A = Add
C = Change
D = Delete

Amendment Number

5

DOCUMENT CODE

3

2. COUNTRY/ENTITY

EGYPT

3. PROJECT NUMBER

263-0026

4. BUREAU/OFFICE

NE

03

5. PROJECT TITLE (maximum 40 characters)

TECHNOLOGY TRANSFER & MANPOWER DEV. III

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)

MM DD YY
05 31 82

7. ESTIMATED DATE OF OBLIGATION

(Under "B" below, enter 1, 2, 3, or 4)

A. Initial FY 77

B. Quarter

C. Final FY 81

8. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	4,500		4,500	29,500		29,500
(Grant)	(, 00)	()	(4,500)	(29,500)	()	(20,500)
(Loan)	()	()	()	()	()	()
Other U.S.	1.					
	2.					
Host Country						
Other Donor(s)						
TOTALS	4,500		4,500	29,500		29,500

9. SCHEDULE OF AID FUNDING (\$000)

A. PRO- VISION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) ESF	990			24,500		5,000		29,500	
(2)									
(3)									
(4)									
TOTALS				24,500		5,000		29,500	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

11. SECONDARY PURPOSE CODES

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code	TECH	EQTY	NUTR				
B. Amount	1,500	500	400				

13. PROJECT PURPOSE (maximum 480 characters)

Assist the Government of Egypt by financing the cost of technical exchanges training and related commodities required by the Egyptian Government to solve technical or planning and managerial problems in its program and, at its request, in those of the private sector.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY
1 0 8 1 0 8 2

15. SOURCE/ORIGIN OF GOODS AND SERVICES

000 941 Local Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a 5 page PP Amendment.)

This amendment extends the life of project funding for this activity by \$5 million to cover training programs proposed for the remainder of FY 1981 and through the third quarter of FY 1982 by which time a new non-project training activity will be designed and operational.

17. APPROVED BY	Signature	Date Signed MM DD YY 17 31 81	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY 08 07 81
	Title Donald S. Brown Director		

Project: Technology Transfer and Manpower Development
263-0026

The Technology Transfer and Manpower Development project has served since 1977 as the Mission's medium to respond to the large demand of the Government of Egypt for non-project training. Currently the Mission uses this project to finance training requests which are predominantly ad hoc but which meet an urgent need for upgraded and new scientific, technical and managerial activities of public and private agencies, institutions and enterprises in Egypt.

Over 1,400 participants have been sent to the U.S. for training and the first 100 participants of the Post Peace Scholarship program have also been financed.

In FY 1982, the Mission plans to restructure the purpose of the project and establish a new one which while remaining responsive to the continuing need for ad hoc training will concentrate on developing longer term, specific institutional and skills groups improvement.

Of the \$6 million added in FY 1980 raising total obligations to \$24.5 million for life of project to date, all but \$815,000 has been reserved for subobligation as of June 30, 1981. (See Table I - Amendment #4 Flow of Funds Schedule). The additional \$5.0 million requested by this final amendment will finance additional planned activities (See Table II - Amendment #5) through the balance of FY 1981 and the third quarter of FY 1982 when it is expected that the new Workforce Planning and Development Project (263-0125) will be obligated.

With the approval of the amended project 0042, Technology Transfer and Feasibility Studies, earlier this year the Technology Transfer portion of project 0026 has been effectively moved to 0042 and remaining activities are exclusively in the training area

ANNEX: Statutory Checklist

Table I

Amendment # 4
7/30/80

As of June 30, 1981

		Amount Obligated	Reserved for Subobligation	Unreserved Balance
		-----	-----	-----
-				
Activities Financed	TOTAL	\$6,000	5,185	\$815
Ministry of Planning Training			640	
Ministry of Economy Training			240	
Ministry of Finance Training			250	
Ministry of Irrigation Training			80	
Training for Foreign Investment			275	
Staff Training African/American Labor Center			365	
Teacher Training			600	
Training in Spinning And Weaving			237	
Training Evaluation And Appraisal Techniques			101	
Village Development/Save the Children/ORDEV			121	
Staff Training Investment and Free Zones Authority			156	
English Language Training/Ain Shams University and American University of Cairo			997	
Staff Training of the Central Agency for Statistics			270	
Technical Assistance for Rodent Control			150	
Training of Nurses, Health and Disease Control			501	
Technical Training for Poultry and Ruminant Production in Rural Areas			41	
Short-term Consultancies, Seminars and Conferences			161	

Table II

Amendment #5

	Amount Requested	Planned for Reservation
	<hr/>	<hr/>
Planned Activities end of FY 1981 and Three Quarters FY 1982	TOTAL	
	5,000	5,815
* Ministry of Agriculture	200	
* Ministry of Tourism & Civil Aviation	435	
* Ministry of Economy	300	
Export Promotion Center	75	
* Ministry of Education	315	
English Language - DLI	300	
AUC	550	
* Ministry of Electricity (Renewable Energy)	190	
* Ministry of Finance	250	
* Ministry of Health (Pop. Health, Rural Health)	375	
* Ministry of Housing & Reconstruction	20	
* Ministry of Industry (ITAP, El Nasr Coke, Dyestuff and Chemicals)	250	
General Organization for Industrialization	100	
* Ministry of Irrigation (Egyptian Survey Authority)	75	
* Ministry of Local Government	20	
* Ministry of Manpower	50	
* Ministry of Petroleum	50	
* Ministry of Planning	150	
Institute of Planning	80	
* Ministry of Social Affairs	50	

(CON'T)

		<u>Amount Requested</u>	<u>Planned for Reservation</u>
Planned Activities end of FY 1981 and Three Quarters FY 1982	TOTAL	5,000	5,815
* Ministry of Transportation		250	
Railway Authority		160	
Upgrading Commercial Banking Expertise		50	
Capital Markets Authority		50	
Central Agency for Statistics (CAPMAS)		270	
Egyptian Central Auditing Authority		50	
Training Aids and Equipment		150	
Geological Survey - Short-term Training in Map Making		50	
Governorate of Alexandria - City Management Training		70	
Investment Negotiation Seminar		175	
Investment and Free Zones Authority		160	
International and Contract Law Training for State Council		135	
Mehalla Textile Staff Training		360	
Egyptian Remote Sensing Center - Short-term Training		50	

* Candidates from all ministries are in non-project funded areas.

ANNEX B

5C(2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable generally to projects with FAA funds and project criteria applicable to individual funding sources: Development Assistance (with a subcategory for criteria applicable only to loans); and Economic Support Fund.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

A. GENERAL CRITERIA FOR PROJECT

1. Continuing Resolution Unnumbered; FAA Sec. 634A; Sec. 653(b).

(a) Describe how authorizing and appropriations Committees of Senate and House have been or will be notified concerning the project; (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that figure)?

(a) In accordance With standard Agency Procedures.

(b) Yes.

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial and other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

(a) Yes.

(b) Yes.

3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance? No further legislative action is required.

4. FAA Sec 611(b); Continuing Resolution Sec. 501. If for water or water-related land resource construction, has project met the standards and criteria as set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973? N/A.

5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project? N/A.

6. FAA Sec 209. Is project susceptible of execution as part of regional or multilateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. No.

7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of Training programs under project could impact on (a) through (f).

international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

8. FAA Sec. 601(b). Information and conclusion on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise). N/A.
9. FAA Sec. 612(b), 636(h); Continuing Resolution Sec. 508. Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars. The project grant agreement will so provide.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? Yes, however, U.S. owned excess Egyptian pounds are fully programmed for other purposes and none are available for this project.
11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the Yes.

awarding of contracts, except where applicable procurement rules allow otherwise?

12. Continuing Resolution Sec. 522.
If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?

Not applicable

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

Not applicable

- a. FAA Sec. 102(b), 111, 113, 181(a). Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural

and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

- d. FAA Sec. 103, 103A, 104, 105, 106, 107. Is assistance being made available: (include only applicable paragraph which corresponds to source of funds used. If more than one fund source is used for project, include relevant paragraph for each fund source.)

(1) (103) for agriculture, rural development; if so (a) extent to which activity is specifically designed to increase productivity and income of rural poor; 103A if for agriculture research; full account shall be taken of the needs of small farmers, and extensive use of field testing to adapt basic research to local conditions shall be made; (b) extent to which assistance is used in coordination with

programs carried out under Sec. 104 to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value, improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration of programs explicitly addressing the problem of malnutrition of poor and vulnerable people; and (c) extent to which activity increases national food security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution.

(2) [104] for population planning under sec. 104(b) or health under sec. 104(c); if so, (i) extent to, which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and

health posts, commercial distribution systems and other modes of community research.

(4) [105] for education, public administration, or human resources development; if so, extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, or strengthens management capability of institutions enabling the poor to participate in development; and (ii) extent to which assistance provides advanced education and training of people in developing countries in such disciplines as are required for planning and implementation of public and private development activities.

(5) [106; ISDCA of 1980, Sec. 304] for energy, private voluntary organizations, and selected development activities; if so, extent to which activity is: (i) (a) concerned with data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test of suitable energy sources, and pilot projects to test new methods of energy production; (b) facilitative of geological and geophysical survey work to locate potential oil, natural gas, and coal reserves and to encourage exploration for

potential oil, natural gas, and coal reserves; and (c) a cooperative program in energy production and conservation through research and development and use of small scale, decentralized renewable energy sources for rural areas;

(ii) technical cooperation and development, especially with U.S. private and voluntary or regional and international development organizations;

(iii) research into, and evaluation of, economic development process and techniques;

(iv) reconstruction after natural or manmade disaster;

(v) for special development problems, and to enable proper utilization of earlier U.S. infrastructure, etc., assistance;

(vi) for programs of urban development, especially small labor-intensive enterprises, marketing systems, and financial or other institutions to help urban poor participate in economic and social development.

c. (197) is appropriate effort place on use of appropriate technology? (relatively smaller, cost-saving, labor using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor.)

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d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or has latter cost-sharing requirement been waived for a "relatively least developed" country)?

e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"?

f. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

g. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

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2. Development Assistance Project
Criteria (Loans Only)

N/A.

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, at a reasonable rate of interest.

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan?

3. Project Criteria Solely for
Economic Support Fund

a. FAA Sec. 531(a). Will this assistance promote economic or political stability? To the extent possible, does it reflect the policy directions of FAA Section 102?

Yes.

b. FA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities?

No.

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5C(3) - STANDARD ITEM CHECKLIST

Listed below are the statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed?

N/A.

2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him?

yes.

3. FAA Sec. 604(d). If the cooperating country discriminates against U.S. marine insurance companies, will commodities be insured in the United States against marine risk with a company or companies authorized to do a marine insurance business in the U.S.?

Not applicable

4. FAA Sec. 604(e); ISDCA of 1980 Sec. 705(a). If offshore procurement of agricultural commodity or product is to be financed, is there provision

Not applicable

against such procurement when the domestic price of such commodity is less than parity? (Exception where commodity financed could not reasonably be procured in U.S.)

5. FAA Sec. 603. Is the shipping excluded from compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S.-flag commercial vessels to the extent that such vessels are available at fair and reasonable rates?

No

6. FAA sec. 621. If technical assistance is financed, to the fullest extent practicable will such assistance, goods and professional and other services be furnished from private enterprise on a contract basis? If the facilities of other Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

Technical assistance will be supplied by private enterprise on a contract basis

7. International Air Transport, Fair Competitive Practices Act, 1974. If air transportation of persons or property is financed on grant basis, will provision be made that U.S. carriers will be utilized to the extent such service is available?

Yes

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8. Continuing Resolution Sec. 505.
If the U.S. Government is a party to a contract for procurement, does the contract contain a provision authorizing termination of such contract for the convenience of the United States?

If the U.S. Government is a party to the procurement such a provision will be included.

B. Construction

1. FAA Sec. 601(d). If capital (e.g., construction) project, are engineering and professional services of U.S. firms and their affiliates to be used to the maximum extent consistent with the national interests?
2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable?
3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million?

N/A.

N/A.

Not applicable.

C. Other Restrictions

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter?
2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights?

Not applicable (Grant)

Not applicable

3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? Yes, the Grant agreement shall so stipulate
4. Continuing Resolution Sec. 514. If participants will be trained in the United States with funds obligated in FY 1981, has it been determined either (a) that such participants will be selected otherwise than by their home governments, or (b) that at least 20% of the FY 1981 fiscal year's funds appropriated for participant training will be participants selected otherwise than by their home government? (a) and (b) yes.
5. Will arrangements preclude use of financing:
- a. FAA Sec. 104(f). To pay for performance of abortions as a method of family planning or to, motivate or coerce persons to practice abortions; to pay for performance of involuntary sterilization as a method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization? Yes
- b. FAA Sec. 620(g). To compensate owners for expropriated nationalized property? Yes

- c. FAA Sec. 660. To provide training or advice or provide any financial support for the police, prisons, or other law enforcement forces, except for narcotics programs? Yes
- d. FAA Sec. 662. For CIA activities? Yes
- e. FAA Sec. 636(i). For purchase, sale, long-term lease, exchange or guaranty of the sale of motor vehicles manufactured outside U.S., unless a waiver is obtained. Yes
- f. Continuing Resolution Sec. 504. To pay pensions, annuities retirement pay, or adjusted service compensation for military personnel? Yes
- g. Continuing Resolution Sec. 506. To pay U.S. assessments, arrearages or dues. Yes
- h. Continuing Resolution Sec. 507. To carry out provisions of FAA section 209(d) (Transfer of FAA funds to multilateral organizations for lending.) Yes
- i. Continuing Resolution Sec. 509. To finance the export of nuclear equipment fuel, or technology or to train foreign nationals in nuclear fields? Yes
- j. Continuing Resolution Sec. 510. For the purpose of aiding the efforts of the government of Yes

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such country to repress the
legitimate rights of the
population of such country
contrary to the Universal
Declaration of Human Rights?

k. Continuing Resolution Sec.
516. For publicity or propaganda
purposes within U.S. not
authorized by Congress?

Yes

7/29/80

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT DATA SHEET

1. TRANSACTION CODE C A = Add
 C = Change
 D = Delete

Amendment Number 3

DOCUMENT CODE 3

2. COUNTRY/ENTITY
EGYPT

3. PROJECT NUMBER
263-0026

4. BUREAU/OFFICE
NE 03

5. PROJECT TITLE (maximum 40 characters)
Tech. Transfer & Manpower Dev. III

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)
 MM DD YY
05 31 82

7. ESTIMATED DATE OF OBLIGATION
 (Under 'B.' below, enter 1, 2, 3, or 4)

A. Initial FY 77 B. Quarter C. Final FY 80

8. COSTS (\$000 OR EQUIVALENT \$1 =)

A. FUNDING SOURCE	FIRST FY <u>77</u>			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	4,500		4,500	24,500		24,500
(Grant)	(4,500)	()	(4,500)	(24,500)	()	(24,500)
(Loan)	()	()	()	()	()	()
Other U.S. 1.						
Other U.S. 2.						
Host Country						
Other Donor(s)						
TOTALS	4,500		4,500	24,500		24,500

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) ESE	990			18,500		6,000		24,500	
(2)									
(3)									
(4)									
TOTALS				18,500		6,000		24,500	

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)
900 950 960 980

11. SECONDARY PURPOSE CODE
991

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code	R/AG	R/H	R/ED	RDEV	RGEN	EQTY
B. Amount	590	300	300	220	160	480

13. PROJECT PURPOSE (maximum 480 characters)

This project will finance the cost of advisory services, commodities, technical exchanges and training, and other items required by the Egyptian Government to solve technical or planning/managerial problems in its programs and, at its request, in those of the private sector.

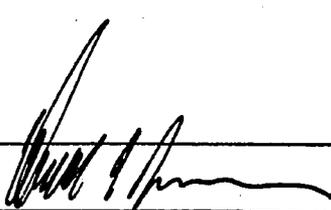
14. SCHEDULED EVALUATIONS

Interim MM YY 10 81 Final MM YY 06 82

15. SOURCE/ORIGIN OF GOODS AND SERVICES
 000 941 Local Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a 1 page PP Amendment.)

17. APPROVED BY

Signature 

Title Donald S. Brown, Director USAID/Egypt

Date Signed MM DD YY 07 22 80

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
 MM DD YY 07 29 80

INSTRUCTIONS

The approved Project Data Sheet summarizes basic data on the project and must provide reliable data for entry into the Country Program Data Bank (CPDB). As a general rule blocks 1 thru 16 are to be completed by the originating office or bureau. It is the responsibility of the reviewing bureau to assume that whenever the original Project Data Sheet is revised, the Project Data Sheet conforms to the revision.

Block 1 - Enter the appropriate letter code in the box, if a change, indicate the Amendment Number.

Block 2 - Enter the name of the Country, Regional or other Entity.

Block 3 - Enter the Project Number assigned by the field mission or an AID/W bureau.

Block 4 - Enter the sponsoring Bureau/Office Symbol and Code. (See Handbook 3, Appendix 5A, Table 1, Page 1 for guidance.)

Block 5 - Enter the Project Title (stay within brackets; limit to 40 characters).

Block 6 - Enter the Estimated Project Assistance Completion Date. (See AIDTO Circular A-24 dated 1/26/78, paragraph C, Page 2.)

Block 7A. - Enter the FY for the first obligation of AID funds for the project.

Block 7B. - Enter the quarter of FY for the first AID funds obligation.

Block 7C. - Enter the FY for the last AID funds obligations.

Block 8 - Enter the amounts from the 'Summary Cost Estimates' and 'Financial Table' of the Project Data Sheet.

NOTE: The L/C column must show the estimated U.S. dollars to be used for the financing of local costs by AID on the lines corresponding to AID.

Block 9 - Enter the amounts and details from the Project Data Sheet section reflecting the estimated rate of use of AID funds.

Block 9A. - Use the Alpha Code. (See Handbook 3, Appendix 5A, Table 2, Page 2 for guidance.)

Blocks 9B., C1. & C2. - See Handbook 3, Appendix 5B for guidance. The total of columns 1 and 2 of F must equal the AID appropriated funds total of 8G.

Blocks 10 and 11 - See Handbook 3, Appendix 5B for guidance.

Block 12 - Enter the codes and amounts attributable to each concern for Life of Project. (See Handbook 3, Appendix 5B, Attachment C for coding.)

Block 13 - Enter the Project Purpose as it appears in the approved PID Facesheet, or as modified during the project development and reflected in the Project Data Sheet.

Block 14 - Enter the evaluation(s) scheduled in this section.

Block 15 - Enter the information related to the procurement taken from the appropriate section of the Project Data Sheet.

Block 16 - This block is to be used with requests for the amendment of a project.

Block 17 - This block is to be signed and dated by the Authorizing Official of the originating office. The Project Data Sheet will not be reviewed if this Data Sheet is not signed and dated. Do not initial.

Block 18 - This date is to be provided by the office or bureau responsible for the processing of the document covered by this Data Sheet.

Flow of Funds Schedule

(\$000)

<u>Date</u>	<u>Activity</u>	<u>Obligations and Additional Reservations</u>	<u>Reserved for Disbursements</u>	<u>Unreserved Balance</u>
9/25/79				404
9/30/79	Amendment #3	3,000		3,404
	Training for Mahalla Textile Manufacturing		105	
	Tax Modernization for the Ministry of Finance		520	
	Joint Working Group on Health and Population		98	
	Training for the Ministry of Health		174	
	Central Auditing Organization of the Ministry of Economy		75	
	Training for the Central Bank		121	
	Assistance to the Maritime Academy		258	
	Training for Central Agency for Public Mobilization and Statistics		263	
	Training for Egyptian General Petroleum Corporation		153	
	English Language Training (AUC)		852	
	Training for the Ministry of Finance		110	
	English Language Teacher Training		90	
	Training for the Ministry of Economy Participants and Other Activities (consolidated)		250	
			300	35
7/10/80	Dereserved from Activities Reserved Prior to Oct. 1, 1979	545		580
7/30/80	Amendment #4	6,000		6,580
	Agricultural Projects and Related Training with Ministry of Agriculture		240	
	Micro and Macro Water Policy in Conjunction with the World Bank Water Master Plan		350	
	Training in Health and Population Field		150	
	Joint Working Group for Health Activities		200	
	Renewable Energy Activities		160	
	Training for Management Development for Productivity		50	

<u>Date</u>	<u>Activity</u>	<u>Obligations and Additional Reservations</u>	<u>Reserved for Disbursements</u>	<u>Unreserved Balance</u>
7/30/80	Mineral & Petroleum Groundwater Activities		100	
	Technical Assistance for Scientific and Technical Information Systems		100	
	Training and Technical Assistance for Central Agency for Public Mobilization and Statistics		470	
	Long Term and Short Term Training for Ministry of Finance		480	
	Long Term and Short Term Training for Ministry of Economy		230	
	Long and Short Term Training for Ministry of Planning		320	
	Management and Scientific ad hoc Training and Technical Services		100	
	Training for Mahalla Textile Manufacturing Activities and Training for Organization for Rural Development		180	
	Activities and Training for General Organization for Industrialization		180	
	Training for Egyptian General Petroleum Corporation		420	
	Training for Ministry of Electricity and Rural Electrification		300	
	Training and Activities for Egyptian Civil Aviation Organization		900	
	Training and Technical Assistance to the Egyptian General Petroleum Corporation		430	
	Technical Assistance and Training to the Investment Authority, Private Banks, and Development Banks		240	
	Technical Assistance and Training for Vocational Ed., Libraries, Universities and Ministry of Education		410	
	Participant and Other Activities Not Presently Provided for		450	

9/30/81

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12/4/79

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT PAPER FACESHEET	1. TRANSACTION CODE <input type="checkbox"/> A ADD <input checked="" type="checkbox"/> C CHANGE <input type="checkbox"/> D DELETE	PP 2. DOCUMENT CODE 3
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3. COUNTRY/ENTITY EGYPT	4. DOCUMENT REVISION NUMBER <input type="text" value="1"/>
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5. PROJECT NUMBER (7 digits) <input type="text" value="263-0026"/>	6. BUREAU/OFFICE A. SYMBOL NE	B. CODE <input type="text" value="03"/>	7. PROJECT TITLE (Maximum 40 characters) <input type="text" value="Tech. Trf. & Manpower Development III"/>
---	-------------------------------------	--	--

8. ESTIMATED FY OF PROJECT COMPLETION FY <input type="text" value="8"/> <input type="text" value="1"/>	9. ESTIMATED DATE OF OBLIGATION A. INITIAL FY <input type="text" value="7"/> <input type="text" value="7"/> B. QUARTER <input type="text" value="1"/> C. FINAL FY <input type="text" value="8"/> <input type="text" value="0"/> (Enter 1, 2, 3, or 4)
---	--

10. ESTIMATED COSTS (\$000 OR EQUIVALENT \$1 -)						
A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. TOTAL	E. FX	F. L/C	G. TOTAL
AID APPROPRIATED TOTAL	4,500		4,500	15,500		15,500
(GRANT)	(4,500)	()	(4,500)	(15,500)	()	(15,500)
(LOAN)	()	()	()	()	()	()
OTHER U.S. 1.						
OTHER U.S. 2.						
HOST COUNTRY		1,000			3,000	
OTHER DONOR(S)						
TOTALS	4,500	1,000	4,500	15,500	3,000	15,500

11. PROPOSED BUDGET APPROPRIATED FUNDS (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY <u>77</u>		H. 2ND FY <u>78</u>		K. 3RD FY <u>79</u>	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
(1) SA	990B	900		4,500					
(2) ESF						4,000		7,000	
(3)									
(4)									
TOTALS				4,500		4,000		7,000	

A. APPROPRIATION	N. 4TH FY _____		O. 5TH FY _____		LIFE OF PROJECT		12. IN-DEPTH EVALUATION SCHEDULED MM YY <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="7"/> <input type="text" value="9"/>
	P. LOAN	R. GRANT	S. LOAN	T. GRANT	U. LOAN		
(1) SA/ESF					15,500		
(2)							
(3)							
(4)							
TOTALS					15,500		

13. DATA CHANGE INDICATOR. WERE CHANGES MADE IN THE PID FACESHEET DATA, BLOCKS 12, 13, 14, OR 15 OR IN PRP FACESHEET DATA, BLOCK 12? IF YES, ATTACH CHANGED PID FACESHEET.

<input type="checkbox"/> 1 = NO <input checked="" type="checkbox"/> 2 = YES	
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14. ORIGINATING OFFICE CLEARANCE SIGNATURE 	15. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION DATE SIGNED MM DD YY <input type="text" value="1"/> <input type="text" value="2"/> <input type="text" value="4"/> <input type="text" value="7"/> <input type="text" value="9"/>
TITLE Donald S. Brown Director, USAID/Egypt	MM DD YY <input type="text"/> <input type="text"/> <input type="text"/>

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Project: Technology Transfer and Manpower Development III
263-0026

I. Utilization of the FY 1977 and FY 1978 Grants (\$000)

A. Obligations

	<u>Date</u>	<u>Obligated</u>
Grant Agreement	8/11/77	1,000
First Amendment	8/31/77	3,500
Second Amendment	5/18/78	3,000
Third Amendment	8/15/78	<u>1,000</u>

8,500

B. Sub-Obligations (as of 9/30/78)

4,771.8

1. Training Activities

3,046.4

Public Administration	786.5
Education	691.7
Industry	588.5
Agriculture	413.8
Health	217.9
Transportation	102.2
General	245.8

2. Technical Transfers

1,725.4

Textbooks 192.0

Reference books for 2500 Rural Health Centers (175.0); for Faculty of Commerce, Cairo Univ. (14.0); for Faculty of Education, Ain Shams Univ. (3.0).

Language Testing and Evaluation - AUC

109.7

Provision of long and short-term consultants in support of a Ministry of Education program of language testing reform.

USGS PASA

68.9

Assistance to the Egyptian Geological Survey and Ministry Authority including evaluation of EGSMA's capabilities, compilation of prototype geological and metallogenic maps, data compilation of mineral resources, and provision of photo lab equipment.

55

HEW PASA

72.7

Supports the Joint Working Group on Medical Cooperation in areas of strengthening health services; health manpower and medical education; pharmaceuticals, biologics and medical products; and environmental health.

National Institute of
Management Development

25.8

A training and evaluation program in management development for key members of the Institute's staff and public sector managers.

Management Training, PCI Inc. 150.4

In response to the Central Agency for Organization and Administration, three seminars were held on the training of trainers in management.

Tax Administration

127.3

At the request of the Ministry of Finance long and short-term technical experts are being provided to assist in the reorganization of the Taxation Department.

Sewer Cleaning

501.7

In response to the Government's request for immediate assistance in improving the performance of Cairo's wastewater system, a sewer cleaning training program was initiated with the services of a consulting engineer (Camp Dresser and McKee, Inc.).

Egyptian Electric Authority
(EEA)

382.0

Advanced courses in management development were provided for EEA staff through a contract with Overseas Advisory Associates.

Alexandria University

47.0

Assistance is being provided the Science Center for the Advancement of Post Graduate Studies in specialized areas of physical science with emphasis on laboratory and research facilities and seminars.

56

<u>Miscellaneous (Each Less Than \$10,000)</u>	47.9	
C. <u>Pending Sub-Obligations and Reservations</u>		<u>1,668.8</u>
1. <u>Training Activities</u>		481.9
<u>Suez Canal Authority</u>	381.9	
(Training in Vessel Traffic Maintenance)		
<u>Miscellaneous Training (Each Less Than \$10,000)</u>	100.0	
2. <u>Technical Transfers</u>		1,186.9
<u>Egyptian General Petroleum Corporation (EGPC)</u>	60.0	

Funds will support a requirements study for a data information system for EGPC.

<u>Alexandria University - Science Center</u>	120.0	
<u>USGS - Phase III</u>	289.0	
<u>HEW PASA</u>	53.9	

These are extensions of activities described in B2 above.

<u>Textbooks</u>	350.0	
------------------	-------	--

A program with the Ministry of Higher Education which will make American textbooks available for university students and libraries.

<u>Tax Legislation</u>	194.0	
------------------------	-------	--

This supports a request from the Ministry of Finance for technical assistance in preparing draft legislation for a global personal and corporate income tax system.

<u>Education (General)</u>	20.0	
----------------------------	------	--

Consultant specialists from the US in areas of textbooks and publishing; educational statistics, planning and documentation; educational technology; and library science.

Miscellaneous Technical 100.0
Transfers (Each Under \$10,000)

D. Utilization Summary

Total Obligations	8,500.0
Less Sub-Obligations and Pending Actions	<u>6,440.6</u>
Unencumbered Balance	<u>2,059.4</u>

II. Proposed Use of FY 1979 Grant Plus Carry-Over (\$000)

A. FY 1979 Obligation 7,000.0*

B. Illustrative List of Sub-Obligations for FY 1979

1. Training Activities 2,295.0

Ministry of Civil Aviation	315.0 ✓
Ministry of Agriculture	- 120.0
Agriculture Faculties	325.0 ✓
Health	- 200.0
Ministry of Finance	155.0 ✓
Ministry of Economy	60.0 ✓
Ministry of Planning	35.0 ✓
Central Agency for Mobilization & Statistics	150.0 ✓
Investment and Free Zones Authority	200.0 ✓
National Institute of Planning	30.0 ✓
Cairo Univ/Economics Dept.	55.0 ✓
Egyptian Electrical Authority	-100.0
Egyptian General Petroleum Corporation	- 250.0
Miscellaneous	300.0

2. Technical Transfers 806.0

Studies:

Comparative Efficiency in Industry	28.0
Budget Debt Management	14.0
Review of CAPMAS Participants	4.0
Income Distribution - Sample	2.0

* Forward Funding based:- FY 79 \$4 million; FY 80 \$3 million.

57

Health Consultants: Four
Short-Term, 2 MM Each 36.0

Taxation and Tax Reform
Extension of IRS PASA
(6 Months) 41.0

Observation/Study Tour of US
For Officials from General
Syndicate for Land Transport (2),
Ministry of Industry (2), and
Ministry of Education (3). 31.0

Wind Energy 350.0

Establishment of a wind energy pilot test station
on either Mediterranean Coast or Red Sea to test
different wind energy systems purchased from US
manufacturers.

Remote Sensing 250.0

In cooperation with ten Egyptian scientific
institutions and employing LANDSAT imagery, this
activity will use remote sensing in monitoring
desertification in Egypt.

Miscellaneous Technical
Transfers 50.0

9/5/79

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT PAPER FACESHEET		1. TRANSACTION CODE <input checked="" type="checkbox"/> C A ADD C CHANGE D DELETE	PP 2. DOCUMENT CODE 3
3. COUNTRY/ENTITY EGYPT		4. DOCUMENT REVISION NUMBER <input type="checkbox"/> 2	
5. PROJECT NUMBER (7 digits) <input type="checkbox"/> 263-0026 <input type="checkbox"/>	6. BUREAU/OFFICE A. SYMBOL B. CODE NE <input type="checkbox"/> 03 <input type="checkbox"/>	7. PROJECT TITLE (Maximum 40 characters) <input type="checkbox"/> Tech. Tsf. & Manpower Development III <input type="checkbox"/>	
8. ESTIMATED FY OF PROJECT COMPLETION FY <input type="checkbox"/> 8 <input type="checkbox"/> 3		9. ESTIMATED DATE OF OBLIGATION A. INITIAL FY <input type="checkbox"/> 7 <input type="checkbox"/> 7 B. QUARTER <input type="checkbox"/> C. FINAL FY <input type="checkbox"/> 7 <input type="checkbox"/> 9 (Enter 1, 2, 3, or 4)	

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. TOTAL	E. FX	F. L/C	G. TOTAL
AID APPROPRIATED TOTAL	4,500		4,500	18,500		18,500
(GRANT)	(4,500)	()	(4,500)	(18,500)	()	(18,500)
(LOAN)	()	()	()	()	()	()
OTHER U.S.	1.					
	2.					
HOST COUNTRY		1,000			3,000	
OTHER DONOR(S)						
TOTALS	4,500	1,000	4,500	18,500	3,000	18,500

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY <u>77</u>		H. 2ND FY <u>78</u>		K. 3RD FY <u>79</u>	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
(1) ESF	990 B	900		4,500		4,000		10,000	
(2)									
(3)									
(4)									
TOTALS				4,500		4,000		10,000	

A. APPROPRIATION	N. 4TH FY		Q. 5TH FY		LIFE OF PROJECT		12. IN-DEPTH EVALUATION SCHEDULED MM YY <input type="checkbox"/> <input type="checkbox"/>
	O. GRANT	P. LOAN	R. GRANT	S. LOAN	T. GRANT	U. LOAN	
(1) ESF					18,500		
(2)							
(3)							
(4)							
TOTALS					18,500		

13. DATA CHANGE INDICATOR. WERE CHANGES MADE IN THE PID FACESHEET DATA, BLOCKS 12, 13, 14, OR 15 OR IN PRP FACESHEET DATA, BLOCK 12? 1= YES, ATTACH CHANGED PID FACESHEET.

1 1 = NO
 2 = YES

14. ORIGINATING OFFICE CLEARANCE		15. DATE DOCUMENT RECEIVED IN AID/W. OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION	
SIGNATURE 		MM DD YY <input type="checkbox"/> 09 <input type="checkbox"/> 05 <input type="checkbox"/> 79	
TITLE Donald S. Brown Director, USAID/Egypt			
DATE SIGNED		MM DD YY <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	

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Project: Technology Transfer and Manpower Development III

263-0026

Seven million dollars were obligated in May of 1979. This amount was to finance the project's activities for FY 79 and FY 80.

In the interest of quickly implementing activities related to the Peace Program, it was concluded that initial funds should be used from this project to finance the first group of Post Peace participants pending the full documentation required to establish a discrete Post Peace Scholarship Program. Accordingly, in July 1979, USAID sub-obligated \$3.0 million for this purpose with the intent that funds would be replenished later to carry on activities already planned.

As of August 27, the unreserved balance of \$493 thousand remains. (See flow of funds schedule below). The \$3.0 obligation is therefore required to carry on the technology transfer and manpower development sub-activities described in PP Amendment 2 dated January 24, 1979.

Flow of Funds Schedule
(\$000)

<u>Date</u>	<u>Activity</u>	<u>Obligations</u>	<u>Reserved for Disbursements</u>	<u>Unreserved Balance</u>
5/11/79				27
5/12/79	Amendment #2	7,000		7,027
	Workers' University		275	
	Allocation for			
	Various Agreed to			
	Training Programs			
	(Implemen. Letter)		1,400	
	Post Peace Scholar-			
	ship PIO/T		3,000	
	English Lang. Trng. (AUC)		856	
	Admin. Support for			
	Participants		120	
	Participants and Other			
	Activities (Consolidated)		883	
8/27/79				493
9/30/79		3,000*		3,493
	Tax Administration		50	
	Wind Energy		300	
	Remote Sensing		150	
	Agriculture Technical Ser-			
	vices		230	

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Flow of Funds Schedule (Cont'd.)
(\$000)

<u>Date</u>	<u>Activity</u>	<u>Obligations</u>	<u>Reserved for Disbursements</u>	<u>Unreserved Balance</u>
	Rural and Urban Health Technical Services		100	
	Vocational Education Technical Services		75	
	Basic Education		65	
	Ministry Health Participants		200	
	English Language Training		900	
	Egyptian Electricity Authority		100	
	Egyptian General Petroleum Corp.		250	
	Other Activities		800	
9/30/80				273

*Additional FY 79 Funding

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5/6/77

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT PAPER FACESHEET		1. TRANSACTION CODE A A ADD C CHANGE D - DELETE	2. DOCUMENT CODE PP 3
3. COUNTRY/ENTITY Arab Republic of Egypt		4. DOCUMENT REVISION NUMBER	
5. PROJECT NUMBER (7 digits) [263-0026]	6. BUREAU/OFFICE A. SYMBOL NE B. CODE [03]	7. PROJECT TITLE (Maximum 40 characters) Technology Transfer-Manpower/	
8. ESTIMATED FY OF PROJECT COMPLETION FY [80]		9. ESTIMATED DATE OF OBLIGATION A. INITIAL FY [77] B. QUARTER [3] C. FINAL FY [79] (Enter 1, 2, 3, or 4)	

A. FUNDING SOURCE	10. ESTIMATED COSTS (\$000 OR EQUIVALENT \$1)			LIFE OF PROJECT		
	B. FY	C. L/C	D. TOTAL	E. FY	F. L/C	G. TOTAL
AID APPROPRIATED TOTAL	4,500		4,500	9,500		9,500
GRANT	(4,500)		(4,500)	(9,500)		(9,500)
LOAN						
OTHER U.S.						
HOST COUNTRY		1,000	1,000		3,000	3,000
OTHER DONOR(S)						
TOTALS	4,500	1,000	5,500	9,500	3,000	12,500

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY 77		H. 2ND FY 78		K. 3RD FY 79	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
(1) SA	759 B	720		4,500		3,000		2,000	
(2)									
(3)									
(4)									
TOTALS				4,500		3,000		2,000	

A. APPROPRIATION	N. 4TH FY		Q. 5TH FY		LIFE OF PROJECT		12. IN DEPTH EVALUATION SCHEDULED MM YY 04 78
	O. GRANT	P. LOAN	R. GRANT	S. LOAN	T. GRANT	U. LOAN	
(1)					9,500		
(2)							
(3)							
(4)							
TOTALS					9,500		

13. DATA CHANGE INDICATOR. WERE CHANGES MADE IN THE PID FACESHEET DATA, BLOCKS 12, 13, 14, OR 15 OR IN PRP FACESHEET DATA, BLOCK 12? IF YES, ATTACH CHANGED PID FACESHEET.

1 1 = NO
2 = YES
No PID or PRP

4. ORIGINATING OFFICE CLEARANCE		15. DATE DOCUMENT RECEIVED IN AID/W. OR FOR AID/W DOCU. MENTS, DATE OF DISTRIBUTION	
SIGNATURE 	TITLE Director	DATE SIGNED MM DD YY 15 10 77	MM DD YY
USAID/Egypt			

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9. Recommendations	3

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Annex B	Evaluation of FY1976 Project 263-0011
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Annex D	Mode of Implementation Determination
Annex E	Project Statutory Checklist
Annex F	Grantee's Application for Assistance

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PROJECT PAPER

TECHNOLOGY TRANSFER AND MANPOWER DEVELOPMENT III

A. SUMMARY AND RECOMMENDATIONS

1. Grantee: Arab Republic of Egypt
Implementing Agency: Ministry of Economy and Economic Cooperation
2. Amount: \$9.5 million (\$4.5 million in FY 1977, \$3.0 million in FY 1978 and \$2.0 million in FY 1979)
3. Terms: Grant funding from Security Supporting Assistance appropriations
4. Summary Description of Project:

This project will finance the cost of advisory services^{1/}, commodities, technical exchanges and training, and other items which are required by the Egyptian Government to solve technical or planning/managerial problems in its programs and, at its request, in those of the private sector. Such problems are related to making both improvements and innovations. The anticipated results of the project include not only the achievement of these development-type changes, but also the establishment of an appreciation on the part of the Egyptians for the improvements effected and a willingness to make further changes based on recommendations by outside experts and on their own knowledge of how things work in the U.S.

By making technical assistance available, including equipment, to solve specific problems, and by creating positive attitudes on the part of key technicians and administrators towards the possibilities for change, this project will lay the groundwork for Egyptians themselves to improve the implementation of their development programs. It is not generally involved in the building of new institutions, but rather largely in the improvement of existing institutions and programs.

As appropriate for specific sub-activities, the U.S. private sector, U.S. institutions, or U.S. Government organizations and agencies will be called upon to provide the required services.

^{1/} These will normally be short term in duration (one year or less).

5. Summary of Background and Relevance:

In June of 1974, President Sadat and President Nixon agreed to a program of cooperation under which U.S. technology would be brought to bear on a wide spectrum of Egyptian activities and problems. This project was conceived to help implement this agreement by facilitating a timely U.S. response to Egypt's immediate needs for short-term assistance to improve the administration of government programs, and is consistent with the overall Supporting Assistance objectives of obtaining maximum impact and visibility of assistance within the minimum time.

6. Issues:

As a follow-on to two previous grants, the majority of this project, which continues along the same lines as in the past, contains no feasibility issues for this project. Evaluations of the past grants show that there are no unresolved financial or implementation problems and that the sub-activities are achieving the project purpose. However, there is a new equipment element introduced for the first time in the project which needs consideration.

The project design includes a significant commodity element that goes beyond teaching and demonstration equipment and supplies used in conjunction with technical advisory services. The new commodity element is designed to support the implementation of:

(a) U.S.-assisted adaptive research and other technology transfer activities of priority to A.I.D. and being coordinated by the several Joint Working Groups; and

(b) U.S. economic assistance activities aimed at strategic target populations (including politically strategic target populations).

The issue has been debated within the Mission with the following results:

1. JWG activities, because they are in the forefront, should be supported when they are consistent with general A.I.D. priorities. Some commodity support seems warranted, but requests should be reviewed on a case-by-case basis and coordinated by the Mission rather than other USG agencies.

2. The diffusion of technology, clearly within the intent of this project, should not necessarily be limited to technical consulting

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services and related demonstration and training equipment. There is a need to support technology transfer through commodity assistance beyond that available in our CIP program and regular projects. Therefore, some mechanism should be established.

The Applied Science and Technology Research project (263-0016) is not an apt funding vehicle because it is directed to research institutions only. The needs extend to many other Egyptian institutions. The logical funding vehicle is the Technology Transfer project.

We intend to use commodities funded under this project to address important constraints to the ability of the GOE to carry out development programs. Critical screening of requests will ensure that this is done.

7. Extended Cost:

Nine and one-half million dollars will be made available from Security Supporting Assistance funds over three years. Local currency expenses normally will be funded from an allotment of U.S.-owned excess Egyptian pounds.

8. Mission Views:

The U.S. Mission in Cairo strongly supports this project.

9. Recommendation:

Authorization of this project with a grant of \$9.5 million for the purposes stated herein.

B. THE PROJECT

1. Background and Relevance:

The Egyptian Government's desire for advanced technical information and know-how from the United States was made clear in the earliest discussions regarding the renewal of economic cooperation. As a framework to define and help answer this need, President Nixon and President Sadat established a Joint Cooperation Commission in June 1974. This Commission is supported by a number of Joint Working Groups which, in effect, provide the mechanism through which can be discussed proposals for a broad range of activities to address specific Egyptian problems and needs as they are perceived. They are also a forum for discussing the ability of AID and other USG agencies to supply needed financing and support for such activities.

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The utility of a technical assistance grant which would support a wide variety of AID initiatives and at the same time facilitate the work of the Joint Commission was recognized early in discussions with the Ministry of Economy and Economic Cooperation. The FY 1975 and FY 1976 Technology Transfer and Manpower Development grants (263-0002 and 263-0011, respectively), which preceded the proposed grant, demonstrated the effectiveness of this type of assistance instrument in addressing the particular technical/administrative needs of Egyptian development programs.

Egypt is not without established institutions in areas of social/economic development, and there are large numbers of highly educated persons in the country. While each case is different, for the most part the constraints to better development programs seem to be a lack of planning and management skills; frustrations over being out of touch with up-to-date technical knowledge in the West; and a lack of motivation to make the changes required in the administration and content of development programs. Thus the immediate need in this project generally is not to undertake long-term technical assistance and training to build institutions, but to provide the short-term technical and planning/managerial expertise, plus training and commodities, to solve specific problems and to expose key technical and administrative staff to new ideas, to develop their appreciation of the need to make those changes that will improve their programs, and to expand their knowledge of what changes are possible.

Both of the preceding grants have been formally evaluated, with results showing that their overall management and the performance of the individual sub-projects have been very satisfactory.

The Government of Egypt has indicated its satisfaction with the prior grants, and has requested a follow-on project for FY 1977-79. In view of the performance of the project to date, and particularly, due to its continuing importance projected for the future, the project is being funded for a three-year period.

2. Project Description and Analyses

a. Project Purpose

In general, the purpose of the project is to create the conditions for the Egyptians themselves to carry forward with improvements in the planning and implementation of their development programs. Specifically, this requires (a) solving immediate technical and planning/managerial problems and (b) creating an appreciation of the need for change and

the means of accomplishing this. The first purpose is the application of improved or more suitable technology or management practices, or both. These changes would be seen in new or improved plans, management systems, or technical processes. (The latter can cover a wide range of activities from, for example, research methods or curriculum changes to technical skills or production methods.) The problem areas expected to be addressed by the sub-activities include: the need to increase effectiveness or efficiency of a particular activity; the need to eliminate production or administrative bottlenecks; the need to augment planning capabilities by identifying areas which could profit by further outside assistance, and recommending plans for this; and the need to augment individuals' skills. Also, we would expect to see political benefits resulting from the expanded relationships between the U.S. and Egyptian professional communities.

The second (and equal) purpose of this project is to demonstrate to key Egyptian technicians and administrators the need for continued improvements/innovations and the ability of U.S. assistance to provide the means to effect such changes. This would be indicated by: the willingness to carry through the changes recommended by advisors under this project; positive attitudes expressed towards U.S. assistance activities and contacts - past and future; requests for additional assistance in other areas; acceptance of follow-on assistance and willingness to make the program and administrative changes required to make effective use of such assistance.

The dual purposes of the project are interdependent. If the development activities are not carried out in an effective and responsible manner, then these efforts will not have the effect of establishing confidence on the part of Egyptians in our development efforts and establishing a willingness to take initiative in making further changes, particularly on their own. Conversely, without this acceptance on the part of the Egyptians, the potential contribution of further U.S. assistance will be limited.

Three benefits are anticipated in addition to the objectives described above. Experience with the previous grants substantiates this. First, as a result of contacts made through the project, interest in Egypt and its development is generated on the part of U.S. institutions and individuals. They, like the Egyptians, tend to seek further contacts. Second, as a result of support of the JWG through this project, closer links have been established between the professional and scientific communities of the two countries. Third, as a result of early involvement with counterparts through these grants, which allows AID to gain an

appreciation of their institutional needs and capabilities, AID is both able to identify area for follow-on assistance and get insights on how better to design and implement any future involvement with those agencies.

While the project has been involved almost exclusively with technical exchanges to date (supplies and equipment being limited to those needed for demonstration and training directly related to these technical exchanges), we have concluded that the purposes of this grant can be served more broadly by inclusion of equipment and supplies related to important technology transfer needs but which go beyond specific training and demonstration materials. For example, the ability of some professionals trained under this project to demonstrate improved instructional techniques is limited by the dilapidated teaching laboratory equipment in certain universities. The effectiveness of this total activity could, therefore, be reinforced by the selective financing of equipment and supplies which reinforce the basic purposes of the grant. Criteria for financing such equipment and supplies are given under "inputs" below.

b. Goal

The goal to which the project contributes, along with other, more comprehensive assistance projects, is the improved administration of Egyptian development programs -- both public and private sector activities.

We would consider the goal to have been achieved when: major administrative problems identified in important development programs have been resolved; when these programs have been revised for substance as appropriate; when programs demonstrate they can respond to problems and the need for changes in both management and program; and when new programs are being established where (and only where) required to meet development needs not otherwise covered. The project will work towards achievement of these indicators insofar as problems are addressed by assistance activities.

In addition to these direct relationships, we are projecting a spin-off benefit which would contribute to the primary goals of the project, namely, that exposure on the part of U.S. institutions and individuals to Egypt, both through their work and the presence of Egyptian trainees and visitors in the U.S., will create a positive atmosphere on the home front for development, investment, and good relations with Egypt. Also, such exposure improves our information on the problems to be addressed, and the environment within which future activities must

be carried out. Experience with the first two Technology Transfer and Manpower Development grants supports this expectation, as does experience with the AID program as a whole.

Ultimately, this project will contribute to the ability of Egyptian development programs to resolve successfully the country's social and economic development problems.

c. Outputs

Six classes of outputs will be generated under this project:

(1) First and foremost, there will be on-the-spot solution of technical and managerial problems due to the provision of technical assistance and commodity inputs;

(2) A second class of output will be the recommendations made by U.S. consultants for changes aimed at solving other high priority technical and managerial problems;

(3) GOE officials will be exposed to U.S. concepts and methods due to involvement with U.S. consultants, or using training and observation travel opportunities;

(4) Potential long-term institutional and personal relationships will be established as a result of this project;

(5) Joint Working Group initiatives will be implemented through the project; and

(6) Accelerated implementation of AID development assistance to Egypt.

An additional generalized output embodied in all of the above would be a broad dissemination of technology. This will be expanded with the additional feature of selective provision of equipment and supplies to Egyptian institutions which have the capacity to duplicate within Egypt some of the technological advances being sought by the personnel exchange elements of project.

No objectively quantifiable output indicators are included in this paper. Specific outputs will be included in sub-obligating documents such as PIO/Ts and PIO/Ps.

d. Inputs

(1) Advisory services as required to introduce new technological processes or improved management practices, or to solve specific

technical or managerial problems which constitute developmental bottlenecks. The underlying rationale is that technical and managerial skills can most effectively be transmitted through close person-to-person collaboration between U.S. and Egyptian specialists who focus on very specific problems over a relatively short period of time. For this reason, while longer term technical advice is not excluded, advisory services under this project will normally not exceed six months in duration.

(2) Demonstration and didactic materials required by the GOE to make full use of technical assistance made available under this grant, through the Joint Commission framework, or through other channels.

(3) Other supplies and equipment, as the Mission and the GOE may agree, that are needed to:

(a) relieve critical constraints to the solution of technical and planning/managerial problems;

(b) support GOE efforts to make more effective use of foreign assistance and, in particular, to speed up the implementation of assistance programs;

(c) support U.S.-assisted adaptive research and other technology transfer activities identified as having high priority by the Joint Working Groups; and

(d) support or implement U.S. economic assistance activities aimed at strategic target populations.

(4) Participant training, Long- and short-term training in the U.S., including academic and job-related training.

(5) Participant exchanges. Short-term visits for observation, to attend conferences and to establish contacts in public and private sectors.

(6) Such Other Cost items as may be needed. Based partially on expenditure trends observed in the FY 1975 and FY 1976 grants, we anticipate that approximately \$3.0 million of the \$9.5 million grant will go for advisory services (with a small amount included for required commodities), and approximately \$3.5 million of the grant will go for training and exchange visits to the U.S. The balance has been programmed for supplies and equipment.

3. Project Implementation and Financial Plan:

The implementation of this grant will follow the same general procedures as those employed for the FY 1976 grant. In FY 1976, in order

to streamline project implementation approval steps, USAID and the GOE agreed that the Ministry of Economy and Economic Cooperation would replace the Ministry of Foreign Affairs as the government's point of coordination and approval for sub-obligations against the grant. This decision was based upon the recognition that activities often require both dollars and Egyptian pounds. Since the Ministry of Economy and Economic Cooperation is responsible for the local currency grant (Project 263-0005, Local Cost Project Support) which provides local cost support to the Technology Transfer and Manpower Development activity, its responsibility for the dollar grant centers Egyptian Government approvals in one Ministry.

Requests for assistance to be financed under this project normally will originate with the organization desiring such assistance and will be forwarded to A.I.D. after approval by the Ministry of Economy and Economic Cooperation. (Many times, the concept has already been discussed in Joint Working Group meetings.) Following A.I.D.'s agreement in principle to provide financing, the Ministry initiating the request will prepare detailed cost estimates for review and approval by A.I.D. A.I.D. will arrange for private suppliers or U.S. Government agencies to provide approved assistance.

The action document to be used will vary depending on the particular transaction involved; standard action documents will be employed. Funds will be obligated by Grant Project Agreement. We expect the Grant Agreement will provide a procedure for emergency sub-obligation similar to that contained in the Grant Agreements for Project 263-0013, Technical and Feasibility Studies and Project 263-0005, Local Cost Project Support.

It is expected that contracts will be entered into directly by A.I.D., rather than the GOE, because the services usually requested under the project are both short-term in duration and highly specialized in nature. The Mission Director has signed a determination that allows direct contracts to be used as the normal mode of implementation of sub-activities under this grant (see Annex D).

4. Project Evaluation:

The FY 1975 grant (263-0002) was evaluated by the Mission. The report was submitted in CAIRO 3482 dated 17 March 1976. A copy is attached as Annex A. For the FY 1976 grant (263-0011), the Mission has also completed an evaluation (Annex B). Both of the preceding evaluations examined each of the sub-activities in the area of technical and planning/management services, looking both at their implementation and whether or not they were consistent with achieving the project purpose. As part of the FY 1976

evaluation, and the preparation of this Project Paper for the FY 1977 grant, the objectives of the project and its relevance have been stated in more explicit terms, and the criteria used in the evaluation were expanded slightly to include the full range of considerations.

Evaluation of the FY 1977 grant will follow the same lines as for the FY 1976 grant. The technical officer in charge of each particular sub-activity will, in conjunction with the advisors and the GOE, determine: (a) whether the technical or planning/managerial change was in fact achieved; (b) what follow-on appears required (and whether this need is appreciated by the GOE); (c) GOE willingness to make changes recommended by the advisors and, if not, its willingness to state why the implementation of such recommendations would be inadvisable; and (d) GOE attitudes toward U.S. assistance and contacts, and its view of the climate for further change in the area addressed by the sub-activity. The technical officer's assessment will be based on his observations and experience with the activity, and will generally not require any special data gathering or assistance. The technical officer will put his observations in writing and submit them to the project manager. In writing up the overall evaluation, the project manager will add a general assessment of the activity along the same lines used by the technical officer.

The impact of participant training and exchanges will be more difficult to evaluate than the impact of advisory-services and commodities because of the physical problems of follow-up on a large number of geographically dispersed individuals and because, in some cases, it will be difficult to establish that changes have resulted specifically from training.

The Mission feels that evaluation of participant training and exchanges under this project should be an integral part of the Mission's overall evaluation of its participant program, as is the monitoring of participants under the project. This makes sense from a management standpoint since training activities are administered by the Mission's Training division and have common programmatic objectives in Egypt. Project personnel will cooperate with the Mission's training staff to assure that, as the Mission develops a program for evaluating participant exchanges, it will cover the concerns of this project to the extent possible and practical.

We do not propose to evaluate the goal-level objective of this project as part of the project evaluation. Our development efforts are still at an early stage in Egypt. Thus, for the Technology Transfer and Manpower Development project, it makes more sense to look at the effects

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of assistance after there has been time to make an impact, and to look at this in a larger context than that of a single project or series of projects. It would also be difficult to trace the impact of the project at the goal level at this stage. The Mission has started an evaluation of its participant training program.

5. Beneficiaries/Impact on Women:

The direct beneficiaries of this project are the individuals and organizations which receive the services, commodities and training/exchange visits under the project. The intermediate beneficiaries of the project will be those people directly served by the organizations receiving assistance under the grant. These beneficiaries will perforce include those important to the economic, social and political development of Egypt. Indirectly, benefits will accrue to the nation as a whole, as development programs become more effective through being better conceived and administered.

With respect to the impact on women, there are already a significant number of educated women in Egypt, and they are accepted as professionals. A significant portion (8%) of the participants under the previous grants have been women, and Mission officers in charge of implementing project activities are expected to further encourage their involvement in both technical assistance and training under the project. There are professional women working in the Egyptian Government and private sector, and to the extent that they occupy positions in organizations to which project inputs are directed, they will not be discriminated against but will benefit on an equal basis with men.

6. Environmental Analysis:

A negative determination has been recommended by the Mission on the project per se (see Annex C). Nevertheless, specific sub-activities to be financed under the project may be the subject of environmental studies should they be likely to have a significant deleterious effect on the environment.

C. Covenants and Conditions Precedent

1. Covenants

The Grant Project Agreement will contain all applicable standard covenants given in A.I.D. Handbook 3.

2. Conditions Precedent

The GOE will be required to fulfill satisfactorily the following conditions:

a. Prior to the first disbursement under the Grant, or to the issuance by A.I.D. of documentation pursuant to which disbursement will be made,

(1) A statement of the name of the person or persons acting as GOE representatives, plus a specimen signature of each such person; and

(2) Such other information and documents as A.I.D. may reasonably request; and

b. Prior to any disbursement for a particular activity proposed for financing under the Grant, an identification of the activity, its purposes, the organization in charge of its implementation, and its estimated cost, including both the amounts proposed for A.I.D. financing and for financing from other sources.

DEPARTMENT OF STATE TELEGRAM

TO

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FROM AMEMBASSY CAIRO	CLASSIFICATION UNCLASSIFIED
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E.O. 11652:
TAGS:
SUBJECT:
ACTION:

N/A

PROJECT 263-11-995-002 TECHNOLOGY TRANSFER & MANPOWER DEVELOPMENT
17 Mar 76 1330z

SECSTATE WASHDC PRICRIT/

UNCLASSIFIED CAIRO 482

AIDAC

REF: STATE 23534

AID-4

INFO:
AMB
DCM
ECON
CHRON

Following evaluation submitted in compliance with PROP provisions and ref tel. Please rush renewal of project approval and new allotment/as only \$4,000 of FY 1975 funds remains available of \$ 2 million for subobligation/reservation. We will then sign new agreement incorporating changes suggested below in para 3 approved by AID/W. If processing of approval documents cannot be accomplished quickly, request authority to obligate funds on basis of individual PIO's. Please advise decision by priority cable.

1. Introduction:

As of March 15, 1976, the following subobligations had been made for technical services:

DRAFTED BY: AID:RJMaushammer:mja	DRAFTING DATE 3/17/76	TEL. EXT. 248	CONTENT AND CLASSIFICATION APPROVED BY: AID:WRTempleton
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AID:PD Mongeot

AID:DFBrown

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PIO/T NO.	AMOUNT	TITLE	SERVICES COMPLETED
50001	94,840.93	Lower Dist. Equip.	Yes
50002	13,579.55	Port of Alexandria	Yes
50006	21,500.00	Tax Admin. (IRS)	Yes
50009	6,950.00	Ag Sector Survey (USDA)	Yes
50012	55,000.00	Rehabilitation Adv. (DHEW)	No
50021	192,500.00	Ag Sector Survey (USDA)	Substantially
50025	7,000.00	Water Management	Yes
50050	14,200.00	Biomedical Engr. Ed. / XXXXXX (NSF)	No
50051	19,106.00	Rural Village Dev.	No
50052, 53, 59 & 60	19,000.00	Social Affairs Dev.	No
-	1,843.89	TDY - Silo Survey	Yes
-	153.00	English Proficiency Exams	Yes
TOTAL	\$445,673.37		

Of these, six have proceeded to the point where an evaluation makes sense (see para 4 below). The six activities account for over 75 percent of all funds subobligated for technical services. In addition, participant costs of \$550,300 had also been subobligated, leaving a balance of approximately \$4,000 unsubobligated as of that date.

2. Evaluation of Overall Impact

This project has been instrumental in allowing the USG

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to respond quickly to Egyptian requests for technical services, thus implementing President Sadat's request that American aid be aimed primarily at transferring U.S. technical know-how to Egypt, in this case through training and short-term consultancies. The project is an efficient complement to other technical assistance and capital projects which together represent an American contribution to an economic and social atmosphere in Egypt conducive to growth, development and close cooperation between the U.S. and Egypt.

All technical assistance and training activities carried out under this project have contributed to the introduction of either improved management practices or the solution of specific technical and managerial problems. In these terms, experience to date has been very favorable. In addition, all technical advisory activities except the tax administration advisory services and biomedical engineering education seminar have led or are expected to lead to substantial technical assistance or capital projects. The services financed under the grant have had a positive impact on development programs, through the upgrading of GOE technical and administrative capabilities.

3. Management of the Project

A review of operations to date indicates that the project has been managed efficiently and used resources effectively.

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No unwarranted charges were made to the project (PIO/T [REDACTED] 50001 was charged to the project because Project 263-11-995-003, Feasibility Studies, was not in operation at the time). Since the establishment of Project 263-11-995-005, Local Cost Project Support, no local currency costs have been charged to project funds. Three minor problems in project management were encountered, however, which fortunately can be solved rather easily by small changes in project design or operating procedures.

First, the Grant Agreement establishes the Ministry of Foreign Affairs as the counterpart GOE coordinating office, despite the agreement having been signed by the Ministry of Economy and Economic Cooperation, whereas the Feasibility Studies and Local Cost Project Support projects are both coordinated through the Ministry of Economy and Economic Cooperation. Since subobligations under the Technology Transfer and Manpower Development project almost always require some local [REDACTED] currency financing, the present procedure makes it necessary for AID/Cairo to obtain two partial clearances from the GOE. We intend to request GOE approval of designation of the Ministry of Economy as the sole counterpart coordinating office. In addition, if acceptable to the GOE, we would request the Ministry's signature on PIO's in place of the present exchange of letters.

Second, this project has been the main channel for responding to opportunities flowing from the various Joint Working Groups established under the Joint Cooperation Commission formed in mid-1974. While activities requiring large equipment inputs and/or long-term advisory assistance require separate review and approval as individual projects, short-term advisory services and all participant training can be funded under the Technology Transfer and Manpower Development project. The JWG's, however, have not taken advantage of this mechanism to the full extent anticipated. We are currently exploring ways of making funds directly available to the JWG's (possibly under PASAs with the sponsoring USG agency, for instance HEW in the case of the medical JWG) for minor activities which are not related to the main thrust of AID's technical assistance effort in Egypt.

Third, and partially ~~xxx~~ related to the above, the present grant agreement allows commodity purchases only in connection with training or advisory services funded under the grant. There should be a mechanism that allows AID to provide didactic and demonstration materials not linked directly to the provision of services. A more ample set of implementation tools would prove very valuable. For example, the GOE may determine that it would be useful to supplement another USG agency's activities in Egypt with study or demonstration materials. At present, AID could not approve the use of project funds for that purpose. We

propose to eliminate this restriction from the new Credit Agreement. The sums involved would not be great, perhaps around \$50,000 per year, but the development impact may well be substantial. A one or two year trial of this mechanism is well warranted.

4. Evaluation of Activities

(A) Agriculture Sector Survey and Water Management TA.

As a result of early discussions (particularly in the Joint Working Group) concerning possible U.S. assistance to Egyptian agriculture, it was decided that a general assessment of the sector should be made prior to any AID commitment of interest in specific projects. The USIA provided the services of the study team leader for two weeks in May in order to make arrangements for the full team and to prepare a preliminary outline in consultation with GOE officials. Although delayed for a number of reasons, the study was conducted in October and November of 1975 with a full team of USDA experts.

It was also decided in early discussions to move ahead with the development of a project in the area of water use management on the clear expectation that this would be a priority concern. Consequently, the Mission procured the services of a water management specialist and a ground water hydrologist to complement the USDA team. They worked in Egypt from mid-October to early November, and their contributions were incorporated

into the general report prepared by the study team.

Although the final report of the sector survey team is not completed, a preliminary evaluation based on ~~the~~ draft report is possible. The team did an excellent job in its description of the various subsectors, particularly in identifying constraints to improved production and in identifying and suggesting opportunities for overcoming these constraints. However, the draft report does not satisfactorily analyze the linkages among the various subsectors and between the agricultural sector and the rest of the Egyptian economy. Consequently, the survey does not provide a clear framework for the assessment of relative priorities and the subsequent development of effective projects.

At least part of this ^{deficiency} ~~is~~ may yet be corrected in a section of the report on possible changes in cropping patterns which is currently under preparation in Washington, D.C. by a part of the USDA team in collaboration with NE/TECH, and with the assistance of two GOE agricultural economists. It is possible that continuing research efforts will be necessary to strengthen the analytical base for expanded AID participation in the development of Egyptian agriculture. In the interim the Mission is proceeding with the development of several specific projects based on the findings contained in the draft report.

(B) Power Distribution Equipment.

The contractor, Sanderson and Porter, Inc., provided on-time completion of the first phase of the scope of work that required them to visit Egypt to determine equipment requirements, to verify the adequacy of the GOE specifications and requirements to be incorporated into bid documents and to become generally familiar with the local conditions. The second phase, development of detailed specifications and tender documents, required ~~more~~ more time than originally planned, due to factors not under their control, such as extended mail time, GOE review time and problems of meshing GOE contract requirements with AID requirements. The tenders approved by AID/W were issued on 12 August 1975, some 6 to 8 weeks later than originally planned. There were initially only minor bidders' complaints with respect to the documents although later problems in analysis and award indicate some improvement would have been possible.

(C) Tax Administration Advisory Services.

The team provided by the IRS produced a comprehensive report that was, on balance, both more and less than called for in the scope of work agreed to by the Mission and the Ministry of Finance. It is quite possible that the size and duration of the team (3 men ~~for~~ for 3 weeks) precluded a specific, detailed set of concrete suggestions for improving the administration

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of certain limited parts of the Ministry's tax collection operations and necessitated a broad brush approach to the assignment. The breadth of the report was obviously more than the O.E. expected and intended (for instance, Section III of the report suggested changes in basic tax laws). At the same time, the range and number of recommendations and the fact that priorities in possible future assistance were not ranked in effect left the Ministry with no usable ~~recommendations~~ recommendations.

We know that the Ministry has been quite anxious to avoid the presence of an American tax team while engaged in a major reshuffling of the tax structure. This is one reason why no follow-on advisory assistance has been requested to date. Another is that the Ministry is awaiting the impressions its six officials bring back from their U.S. training experience. We do expect, however, that the Ministry of Finance will request some advisory assistance in implementing the new tax ~~laws~~ laws when enacted.

(D) Port of Alexandria.

Given the broad scope of work and the limited time frame of the assistance provided to the Port of Alexandria, it has been somewhat difficult to identify changes or improvements resulting specifically from the consultant's work. We believe that the major impact was the exposure of responsible port

current port officials to new ways of looking at their ~~current port~~ management problems, and their greater awareness of the major problems they will have to address in the near future. Since the assistance was provided, there have been changes in procedures and methods which have prevented the recurrence of the massive congestion which was a feature of the port at the time the assistance was provided. Other suggested changes have also been adopted, such as the physical separation of the coal and chemical fertilizer handling, loading and storage. The consultant was judged by port authorities to be a very knowledgeable, impressive, diplomatic technician. They have asked for the services of an organization management specialist to continue the ~~port~~ improvements initiated under this project.

The work of the consultant also was relevant to the development of two AID projects which will have a direct impact on the medium-term improvement in the working of the port, i.e., the Grain Silos Loan to improve grain handling and the proposed Alexandria Port Equipment Loan (with IBD and perhaps other donor participation) to assist in the upgrading of cargo handling capabilities. Furthermore, once this equipment is in place, the port authority will be able to implement more of the medium-term improvements recommended by the consultant.

(E) Participant Training,

The majority of funds utilized to date were for participant training, which is an important mode of transferring academic and applied U.S. knowledge to Egypt. We have set up programs for over 100 participants in a wide range of technical specialties. We have utilized many specialized programs to tailor training to the needs of the sponsoring GOE agency, many having been designed to prepare GOE officials and technicians to work more effectively with U.S. advisors or to ~~consolidate~~ consolidate advances achieved as a result of advisory assistance.

Any substantive evaluation, however, must take into account the utilization of training received, and this requires, of course, more experience with returned participants than we have now. Therefore, we cannot undertake a more thorough evaluation of the participant training element of this project at this time.

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EVALUATION - FY 1977TECHNOLOGY TRANSFER & MANPOWER DEVELOPMENT (263-0011)I. INTRODUCTION

This project finances the cost of advisory services,^{1/} commodities and technical exchanges and training which are required by the Egyptian Government to solve technical or planning/managerial problems in its programs and, at their request, in those of the private sector. Such problems are related to making both improvements and innovations. The anticipated results of the project include not only the achievement of these development-type changes, but also the establishment of an appreciation on the part of the Egyptians for the improvements effected and a willingness to make further changes based on recommendations by outside experts and on their own knowledge of how things work in the U.S.

By making technical assistance available to solve specific problems, and by creating positive attitudes on the part of key technicians and administrators towards the possibilities for change, this project lays the groundwork for Egyptians themselves to improve the implementation of their development programs. It is not directly involved in the building of new institutions, but rather in the improvement of existing institutions and programs.

Many areas are addressed by the project; each activity is funded by a separate implementing document. As appropriate for specific sub-activities, the U.S. private sector, U.S. institutions, or U.S. Government organizations and agencies are called upon to provide the required services.

As of March 31, 1977 the following subobligations have been made for technical services under the grant.

^{1/} These are normally short term (one year or less).

<u>PIO/T</u>	<u>Amount (\$000)</u>	<u>Title</u>	<u>Service Completed</u>
60002	\$27.0	Poultry Survey	Yes
60008	12.7	Local Government (University of Cairo)	Yes
60022	60.0	Egyptian Civil Aviation (FAA)	Yes
60055	82.5	JWG Health Technology (HEW)	No
60056	6.2	ORDEV Local Government	Yes
60059	16.5	Mineral Survey (USGS)	Yes
60077	22.0	Mgmt. of Lab. Instruments Workshop (NSF)	Yes
60084	3.4	Tax Administration Training (IRS)	Yes
60103	19.0	Investment Stimulation	No
60105 ✓	42.1	Wind Energy	No

The Mission has analyzed all of the above activities except 60105, Wind Energy, under which no activity has been initiated. Total subobligations for this project have been \$1,236,200 while reservations total \$485,000. To date \$291,400 have been subobligated for technical services and \$944,800 have been subobligated in support of the participant training program.

II. EVALUATION OF THE OVERALL IMPACT

This project has been one of the most visible parts of the AID program in Egypt. Efforts to date to mount a major AID program have proceeded generally on schedule. This has meant that although programs and projects have been agreed to, obvious project results are not yet visible, and in most cases will not be for 2 to 3 years. The Technology Transfer and Manpower Development project

has had immediate outputs and represents a visible demonstration of U.S. concern in numerous Egyptian professional communities. President Sadat's request that U.S. aid be focused on the transfer of appropriate technology and know-how to Egypt is being addressed in the short-term by this project. As other projects come on stream they also will serve this purpose, but until that time, the Technology Transfer project will remain an important demonstration of American concern for transferring know-how. The project has been a useful way of probing the real needs and capabilities of GOE organizations before entering into projects with them.

An analysis of how the project has worked points out a number of important considerations which should be taken into account when planning and implementing future Technology Transfer activities.

A. Types of Technology

There is a definite gap in the technological exposure of the Egyptian professional community to Western, particularly U.S., technology. In the field of scientific technology, there is an across-the-board gap in the professional journals available in Egypt representing the years when the U.S. and Egypt did not have intimate professional contacts. The real gap goes beyond the journals -- there is no basic understanding of innovations developed in the U.S. which occurred during these years.

The Mission has become aware during two years of operation of this project that a shortfall in managerial technology has at least as big an impact on Egyptian development efforts as does the gap in technical know-how. As is evident from the analysis of the subproject activities, an increasing number of efforts under this project look at both planning/management practices and specific technological problems. This trend will no doubt continue, because the need to address technological and planning/managerial issues as a dual approach to the reality of technical problems in Egypt will remain.

B. Methodologies

1. Technical Services

The Mission has used two types of technical services to accomplish the general purpose of the technology transfer project.

Where Egyptians or U.S. experts have identified a bottleneck in either a planning/management or technical system, and where AID has been requested to provide assistance to solve the particular problem caused by the bottleneck, we have provided short-term advisory assistance. These have been, by and large, one-shot consultancies aimed at addressing a specific problem. The mechanism of the Technology Transfer project allows AID to provide a quick response. This has proven to be an effective and visible sign to the GOE of U.S. assistance intentions.

There is a general problem, however, when dealing with such consultancies. They must be targeted at a readily solvable problem. As often is the case, a problem will be identified in technical terms, when in fact it is only an aspect of a larger management problem. Often these problems are not susceptible to short-term solutions, and particularly to technical solutions by technical personnel. The analysis of the problem is, therefore, one of the most important aspects of this project. There is often a lack of Mission staff technically qualified to make adequate judgments concerning the appropriateness of the problem identified. As Mission staff grows by the addition of specific technical personnel, it will be more able to appropriately pass judgment on the problem identification process.

The second type of technical service relationship which has evolved under this project has been developed generally between two institutions (one Egyptian and one American) which have a mutuality of professional interests and functions within their respective societies. In encouraging these types of relationships, the Mission has often agreed to finance a first stage consultancy for the purposes of (1)

analyzing the operation of the Egyptian organization and identifying technical and managerial problems and (2) proposing solutions to these problems. The result of fostering this type of contact has been a series of recommendations for additional contacts between the two organizations, most of which aim at the transfer of appropriate technology. These contacts are executed either through additional phased consultancies and training programs under the Technology Transfer program, under separate projects funded by AID, or general contacts funded by the Egyptian and U.S. institution involved. The value of this type relationship is that it goes a long way toward institutionalizing the contacts between the two organizations, with the respective benefits that this entails.

2. Participant Training and Exchanges

The participant training program has contributed to the objectives of this project by exposing a wide range of Egyptians to U.S. technological and managerial know-how. It has opened channels of communication and been used in conjunction with technical advisory services to establish comprehensive contacts between Egyptians and U.S. individuals and organizations.

We have not, however, included the participant activity as part of this evaluation because the Mission is in the process of evaluating the overall participant training program. This will be completed by August 1977 when we will have a statistically significant number of returned participants back at their jobs for a period of six months or more. This evaluation will be submitted to AID/W when completed.

C. Implementation

1. Activity Identification

When activities are proposed by the Joint Working Groups for financing under this project, a number of problems have developed. These problems are described in the section of this memo which deals with PIO/Ts 60055 and 60077. See below.

2. Follow-on Activities

As mentioned above, a number of the activities financed under this project have been designed as phased activities. The Mission has consistently maintained that financing an initial activity does not in and of itself constitute a commitment on the part of AID to finance further stages of the activity. Downstream financing depends on the nature of the recommendations which flow from the initial activity, its technical merit, the funds required and the suitability and availability of AID funding. However, no matter how many reclaimers are made, funding of an initial contact leads to a rising expectation on the part of both the U.S. and the Egyptian institutions that further AID assistance will be available. The Mission has dealt with this situation on an ad hoc basis and has tried to keep expectations within reason for all concerned; the situation, however, requires continued attention.

3. Project Evaluation

A lack of technical personnel and an evolving system of project management has led to a situation where follow-up on a number of the activities financed under this project has been minimal or non-existent. In these cases evaluation at a later date has proven to be difficult. To correct this situation, a responsible technical officer will be designated for each technical service activity. This officer will comment on the identified problem, monitor the implementation of service and provide the Project Manager with an evaluation memo at a suitable time after completion of the service. The collected memos will become the basis for future evaluations of the Technology Transfer activity.

III. EVALUATION OF SUBACTIVITIES

The following assessments of the consultancy services financed under this project are all structured along the following format:

- 1) Background: discusses the origin of the request and relates it to the problem or need which was identified;

2) Assistance: identifies who performed the service, how long it took, what was accomplished, e.g., a report or set of recommendations; the general quality of the work and a statement concerning the general utility of the results of the consultancy;

3) Follow-up Activity: comments on the longer run impact of the service rendered and its relationship to follow-on programs or activities; and

4) Special Problems: discusses any special problems encountered in relationship to the service rendered.

A. PIO/T #263-011-3-60002, Poultry

In January of 1976 the Prime Minister's office requested that a number of foreign business ventures take a look at the poultry sector in Egypt, and recommend to the GOE what steps were needed to significantly increase the production of poultry in Egypt. A number of firms responded, and a U.S. firm (Holly Farms) presented a proposal to the GOE which recommended a specific assistance program to the public sector Poultry Company.

The Ministry of Agriculture asked AID to comment on and consider financing of the U.S. firm's suggestion. AID responded by suggesting that the time might be appropriate to look at the poultry subsector in a comprehensive way. The Mission felt that a survey by technically qualified experts was necessary as a basis for properly assessing the GOE request. It would also provide necessary planning information for the GOE to use in ordering priorities in the poultry subsector. A scope of work was prepared emphasizing the development of a plan containing current recommendations related to the poultry subsector.

The PIO/T was issued, resulting in a contract with Experience Inc., which provided the services of three experts to conduct the investigation and to make recommendations. During their four-week stay in Egypt they had extensive discussions with the relevant members of the poultry sector, and went on a number

of field visits which allowed them to view the village production aspect of poultry production, as well as government poultry operations. Their plan set forth a series of recommendations aimed at improving poultry production in Egypt, although most were for follow-on studies.

The Mission feels the report does a good job of describing the present situation and evaluating the on-going effort in Egypt. However, it did not clearly set forth the causal relationships between the observations of the ongoing effort in Egypt and the recommendations. The team leader reworked portions of the report making the final report somewhat more clear in this respect than was the earlier version. Under existing conditions in Egypt, characterized by a lack of statistical data relating to agricultural production and marketing, the Mission found the report to be as well researched as could be expected.

When the final form of the report had been discussed with the GOE Ministry of Agriculture, it was decided to focus project development efforts on certain recommendations in the report which seemed to address key constraints to increasing poultry production in Egypt, and which were responsive to the Ministry of Agriculture's desire to go forward with a direct program aimed at breaking the most critical bottlenecks to development of poultry production. These were incorporated, with other project elements, into a PID for a Poultry Production project with financing planned during FY 1977.

During this consultancy it became obvious that the time programmed for conducting this type of investigation in Egypt was not sufficient. It has been a valuable lesson to be applied to subsequent consultancies, particularly when these consultancies are concerned with on-the-ground investigation and data analysis as the basis for planning assistance and making recommendations to the GOE.

PIO/T #263-011-1-60059, Geological Services

The Egyptian Geological Survey and Mining Authority (EGSMA) re-established contact with the United States Geological Survey (USGS) shortly after the

restoration of government-to-government relations between the U.S. and Egypt. Professional discussions were held in 1975 concerning geological and mineral survey techniques. In early 1976 a representative of USGS visited Cairo and a draft assistance proposal was developed. This proposal was targeted at introducing techniques and organizing the functions required for a comprehensive mineral resources assessment program and incorporating the preparation of metallogenic maps and a data evaluation system.

The proposal clearly sought to institutionalize a relationship to facilitate the transfer of technology from USGS to its counterpart Egyptian agency. PIO/T 60059 funded the first tranche of assistance under this program. It provided the services of two technicians from USGS for a period of two months to evaluate the capability of the EGSMA to carry out a national assessment of Egypt's mineral resources potential and to evaluate other ancillary functions which would be required at EGSMA to carry out this survey adequately.

The team was in Egypt during September, October and November and produced an assessment of EGSMA needs which would have to be addressed before EGSMA could: (a) prepare a preliminary assessment of Egypt's mineral resources, and develop a mineral data system and procedures for periodic up-dating of this assessment; (b) prepare a metallogenic map and guidelines for exploration; and (c) develop the capacity for those operations that are essential for better mapping, exploration and assessment of resources.

The report presented a comprehensive plan for the next phase of assistance needed to accomplish the above tasks. In many respects this activity represents one of the best examples or models for a Technology Transfer situation between Egypt and the U.S. Where counterpart organizations exist, where there is a mutuality of professional interests and where there is a desire for modern technology not available in Egypt, AID can assist by funding these contacts. By doing so, long-term relationships leading to the institutionalization of technology transfer

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will develop. We have authorized a second PIO/T to continue this relationship and accomplish the tasks identified as a result of the first PASA.

The Mission did encounter a special problem in developing the first phase of this activity. The proposal agreed to by USGS and EGSMa looked at the entire range of activities needed to develop this survey. This was a 2 to 3 year program which AID could not fund under this project, as this project is designed for short-term activities. After examining the proposal the Mission suggested that there were logical phases of assistance such that USGS/EGSMa could break the proposal into smaller packages of assistance which could be evaluated at the end of each phase before decisions were made regarding the financing of subsequent stages. As a result of the first phase, a reordering in subsequent phases was clearly indicated. This has been done.

PIO/T, #263-11-3-60008, University of Cairo/
Local Government

The original contacts between the University of Cairo and Indiana University in the field of Public Administration were initiated under the Joint Working Group on Education and Culture, with CUNEA funding an exploratory visit by EPI institutions. Out of these contacts a proposal was put forth by Indiana University and the University of Cairo, which requested AID financing for a team from Indiana University to advise the University of Cairo on its program for a "Diploma in Local Government Management." The Ministry of Local Government, through the University of Cairo, asked Indiana University to field a team of people who could a) prepare and administer a questionnaire which could be utilized to identify faculty resources to improve the local government development program; b) suggest changes in that program to make it more responsive to recent changes in the law concerning decentralization; and c) identify applied research topics for a summer intern program.

Indiana University sent a 3-man team to Cairo during 1976. The results of their trip and the recommendations based on their observations are contained in their trip report.

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Although briefly stated, the objectives of the technical services appear to be clear in the PIO/T. The team, however, was not able to accomplish everything which was listed in the scope of work in the PIO/T. The reason for this can be attributed in part to not scheduling enough time for the study of the problem and in part to the excessive protocol demands which were placed on the team by the Ministry. The major portion of the work was completed and the GOE has asked AID to finance a second trip for Indiana personnel. Since this activity is an important element in the proposed project on Local Government, we look forward to aiding the Diploma Program. (See also the discussion of PIO/T 600056.)

PIO/T #263-011-02-60022, Federal Aviation Administration (FAA) Egyptian Civil Aviation Organization (ECAO)

The origin of this activity stems from a visit by the Administrator of the FAA to Cairo in September 1974. This visit led to a series of contacts which culminated in a request in March of 1976 from ECAO for FAA assistance in assessing the processes, equipment and management practices related to air traffic control in Egypt. ECAO also requested recommendations regarding what further technical assistance they would need to address any inadequacies which were found in their system. FAA provided a team of 5 senior technical and administrative people during June, July and August of 1976.

During the period of FAA consultancy the team acted both as advisors to ECAO and as analysts of the air traffic control system in Egypt. The team produced a comprehensive report which the Mission and ECAO recently reviewed. The director of ECAO has asked for multiple copies of the report for use within ECAO and other sections of the Ministry of Civil Aviation.

The Mission feels that there exists a potential for an important technology transfer system to evolve between ECAO and FAA. The consultancy financed under this activity has reopened channels of communication between FAA and ECAO. Because of the nature of the air traffic control system there is a definite

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professional advantage to both organizations to remain in contact and to share information which would be mutually beneficial. If a future activity in air traffic control or other ECAO responsibilities is financed by AID its aim will be to establish a system which formalizes the transfer of the types of technology that FAA has to offer to ECAO. The potential for a long-range process of technology transfer, however, appears to be better because of the activity financed. Nevertheless, ECAO has serious problems in stemming the flow of qualified staff to better-paying jobs in other countries; this will have to be considered in determining what levels of future assistance will be appropriate.

PIO/T #263-011-3-60056, Organization for
Reconstruction and Development of Egyptian
Villages (ORDEV)

This PIO/T financed the consultancy of Dr. James Mayfield, a recognized authority on Local Government in Egypt. AID has had contacts with ORDEV since 1975 and Dr. Mayfield's consultancy has been one of a series by which we have been discussing local government planning, management, and administration policies with ORDEV.

This activity was generated by a request from ORDEV in early 1976, which asked for short-term assistance to look at various options open for local government development projects. AID/W identified Dr. Mayfield as an ideal candidate to assist ORDEV. Dr. Mayfield came to Egypt during September 1976. He visited a series of villages and developed a profile of the newly elected village officials. He also held lengthy discussions with various members of the GOE concerning the implications of local government related legislative and policy changes which had recently been enacted; the types of training needed by the new local leaders; and various other topics related to village development. The resulting report is an excellent analysis of local government and has proven to be a valuable indicator for potential areas of project development.

It has not, however, been a vehicle for direct technology transfer. The Mission believes, though, that it has been an important part in a process of dialogue between AID and the GOE concerning village development in an attempt to design a project to address local government problems. The technology to be used would be developed as a result of a series of consultancies like Dr. Mayfield's. The immediate return of this consultancy per se may not be apparent if considered as an individual activity, but when considered as part of the process, it is a vital link in developing a project activity aimed at the transfer of administration oriented technology.

It is also important to note that in this analysis, when speaking of technology, we are referring to planning, management and administration innovations and not to a physical scientific process. Both the GOE and the Mission have accepted these parameters as legitimate functions of the Technology Transfer project.

Follow-up activity has resulted in the planning of additional consultancies and a preliminary project idea which incorporates some of the recommendations contained in the Mayfield report.

PIO/Ts 263-011-2-60055, JWG Health (HEW)
263-002-2-60077, Management of
Laboratory Instruments Workshop (NSF)

In this evaluation we are dealing with these two PIO/Ts at the same time because of the related problem of funding JWG activity under the Technology Transfer project. Both PIO/Ts financed technical consultancies, and in the case of 60055 a limited amount of demonstration commodities was provided for.

The problem in evaluating this type of an activity is that they were not developed by an AID/GOE contact under the JWG. AID has tried to be particularly forthcoming to proposed activities developed by the JWGs, particularly in light of the political reasons for their establishment. In that the JWGs also constitute a grouping of highly professional Egyptians and Americans and represent a particularly impressive community of professional knowledge, the Mission has agreed to fund these activities on an ad hoc basis without making its own detailed technical analysis

and without making technical evaluations of the local institution which is a party to the cooperative arrangement.

Because of this arrangement we have not been involved in the actual provision of the service or in follow-on activity which would later allow us to evaluate these efforts.

Contents of Initial Environmental Examination:

I. Examination of Nature, Scope, and Magnitude of Environmental Impacts

A. Description of Project

The purpose of this project is to (a) introduce new or improved technological processes or planning and management practices, or both, in the areas addressed by project activities and (b) create an appreciation by the GOE of the improvements and innovations effected. This will be done through the provision of short-term technical assistance and related teaching and research commodities and through participant training and invitational observation visits. It is expected that technical expertise will be called on to assist in various sub-activities such as those in support of the Joint Working Groups (Education and Culture, Science and Technology and Medical Cooperation), general assessments of sectors of interest to AID and the GOE, specific problem-solving visits not related to AID projects and other topics. These are expected to amount to \$3 million over the next three years. Training and observation visits will be used in anticipation of AID projects to build up GOE knowledge and expertise in selected areas, and to provide general technical/administrative upgrading of GOE officials in areas of mutual interest. These are expected to amount to \$3.5 million over the next three years.

B. Identification and Evaluation of Environmental Impacts

As described in the Rules and Regulations, 216.2, Vol. 41, No. 127, June 30, 1976, Federal Register, "Not every AID activity...will be a major action significantly affecting the human environment for purposes of these procedures. For example, the following general classes of activities will not normally require the filling of an Environmental Impact Statement or the preparation of an Environment Assessment:

1. Education or training programs not designed to result in activities directly affecting the environment;
2. Controlled experimentation exclusively for the purpose of research which is confined to small areas and carefully monitored;
3. Analyses, studies, academic or investigative research, workshops and meetings;

4. Projects where AID is a minor donor to a multi-donor project and there are no potential effects upon the environment of the U.S. or areas outside the nation's jurisdiction;

5. Document and information transfers."

Since this project fits into at least areas 1, 3, 4 and 5 above, according to the sub-activities expected to be carried out under this project, the requirement for an environmental impact statement or an environmental assessment does not apply at this time. An initial environmental examination and threshold decision to this effect is attached.

C. Sub-activities

Should individual sub-activities to be funded from this project be likely to have an impact on the environment, the Mission Environmental Officer will prepare an assessment in accordance with applicable regulations.

II. Recommendation

This project should receive a "Negative Determination" because its likelihood of having any significant deleterious impact on the environment will be negligible. Therefore, no further analysis is required at this time.

IMPACT IDENTIFICATION AND EVALUATION FORM

Impact Areas and Sub-areas^{1/}

Impact
Identification
and
Evaluation^{2/}

A. LAND USE

1. Changing the character of the land through:

a. Increasing the population

N

b. Extracting natural resources

N

c. Land clearing

N

d. Changing soil character

N

2. Altering natural defenses

N

3. Foreclosing important uses

N

4. Jeopardizing man or his works

N

5. Other factors

B. WATER QUALITY

1. Physical state of water

N

2. Chemical and biological states

N

3. Ecological balance

N

4. Other factors

^{1/} See Explanatory Notes for this form.

^{2/} Use the following symbols: N - No environmental impact
 L - Little environmental impact
 M - Moderate environmental impact
 H - High environmental impact
 U - Unknown environmental impact

IMPACT IDENTIFICATION AND EVALUATION FORM

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C. ATMOSPHERIC

1. Air additives

N

2. Air pollution

N

3. Noise pollution

N

4. Other factors

D. NATURAL RESOURCES

1. Diversion, altered use of water

N

2. Irreversible, inefficient commitments

N

3. Other factors

E. CULTURAL

1. Altering physical symbols

N

2. Dilution of cultural traditions

N

3. Other factors

F. SOCIOECONOMIC

1. Changes in economic/employment patterns

N

2. Changes in population

N

3. Changes in cultural patterns

N

4. Other factors

DETERMINATION: MODE OF IMPLEMENTATION OF
PROJECT 263-0026, TECHNOLOGY TRANSFER & MANPOWER DEVELOPMENT III

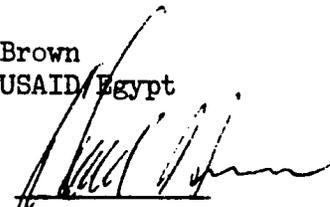
DISCUSSION:

By its nature, this project will include the provision of technical services to many GOE cooperating institutions by many U.S. sources (personal, corporate, institutional and U.S. Government agencies). While the average duration of these services will be about two months, in individual sub-activities the range may be from several days up to as much as one year. Host country contracting becomes less attractive as the period of services decreases. For small value, short-term contracts such as these the time and effort expended on a host-country contract would be totally disproportionate to the result obtained. In addition many of the activities financed under this grant will require a quick response. The approval process for Egyptian contracts (required by Egyptian law) takes several months at best. Host country contracts in Egypt are only suitable for larger, longer term contracts than those expected under this project. In addition, a substantial proportion of contracting under this grant will be through established Indefinite Quantity Contracts or Participating Agency Service Agreements. In these cases, host country contracting is inappropriate.

DETERMINATION:

I therefore determine, in accordance with applicable AID regulations and policies, most recently set forth in the attachment to AIDTO Circular A-564 of 10/27/76, that direct contracts will be the normally preferred mode of implementation for this project. Nevertheless, when conditions so warrant, the Mission will endeavor to have the GOE contract needed technical services to be financed under this project.

Donald S. Brown
Director, USAID/Egypt

APPROVED: 

DISAPPROVED: _____

DATE: 5/6/77

Drafted:

PRM:RJMaushammer/LEG :JRPhippard:mb

Clearances: PRM:PDDemongeot (draft)

DD:JROleson (draft)

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EC(2) - PROJECT CHECKLIST

Listed below are, first, statutory criteria applicable generally to projects with FAA funds, and then project criteria applicable to individual fund sources: Development Assistance (with sub-category for criteria applicable only to loans); and Security Supporting Assistance funds.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE? IDENTIFY. HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

A. GENERAL CRITERIA FOR PROJECT.

1. App. Unnumbered; FAA Sec. 653(b) (a)
 - (a) Describe how Committees on Appropriations of Senate and House have been or will be notified concerning the project;
 - (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that figure plus 10%)?
 (b) The intended obligation for the project is within the level of funds appropriated for Egypt for FY 1977.

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial, and other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

(a) Yes. (b) Yes.

3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

No further legislative action is required.

4. FAA Sec. 611(b); App. Sec. 101. If for water or water-related land resource construction, has project met the standards and criteria as per Memorandum of the President dated Sept. 5, 1973 (replaces Memorandum of May 15, 1962; see Fed. Register, Vol 38, No. 174, Part III, Sept. 10, 1973)?

Not applicable. Project is not for water or water-related land resource construction.

5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified the country's capability effectively to maintain and utilize the project?

Not applicable. Not a capital assistance project.

A.

6. FAA Sec. 209, 619. Is project susceptible of execution as part of regional or multi-lateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. If assistance is for newly independent country, is it furnished through multi-lateral organizations or plans to the maximum extent appropriate?
7. FAA Sec. 601(a); (and Sec. 201(f) for Development Loans). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.
8. FAA Sec. 601(b). Information and conclusion on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).
9. FAA Sec. 612(b); Sec. 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized to meet the cost of contractual and other services.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency and, if so, what arrangements have been made for its release?

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria
 - a. FAA Sec. 102(c); Sec. 111; Sec. 281a. Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production, spreading investment out from cities to small towns and rural areas; and (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions?

The project is not susceptible of execution as part of a regional or multi-lateral project. Assistance is not expected to encourage regional development programs although there may be minor regional benefits. Egypt is not a newly independent country.

Since project goal is to improve public administration and facilitate the solution of key problems in social and economic development, the project is expected to lead ultimately to improved technical efficiency in industry, agriculture and related service fields.

All commodities and services will have their source and origin in the U.S. All commodities and most services will be procured from U.S. private enterprise.

The project agreement will so provide.

Yes. Release by the GOE is not a problem at present.

Not applicable.

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b. FAA Sec. 103, 103A, 104, 105, 106, 107. Is assistance being made available: [include only applicable paragraph -- e.g., a, b, etc. -- which corresponds to source of funds used. If more than one fund source is used for project, include relevant paragraph for each fund source.]

- (1) [103] for agriculture, rural development or nutrition; if so, extent to which activity is specifically designed to increase productivity and income of rural poor; [103A] if for agricultural research, is full account taken of needs of small farmers;
- (2) [104] for population planning or health; if so, extent to which activity extends low-cost, integrated delivery systems to provide health and family planning services, especially to rural areas and poor;
- (3) [105] for education, public administration, or human resources development; if so, extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, or strengthens management capability of institutions enabling the poor to participate in development;
- (4) [106] for technical assistance, energy, research, reconstruction, and selected development problems; if so, extent activity is:
 - (a) technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations;
 - (b) to help alleviate energy problem;
 - (c) research into, and evaluation of, economic development processes and techniques;
 - (d) reconstruction after natural or manmade disaster;
 - (e) for special development problem, and to enable proper utilization of earlier U.S. infrastructure, etc., assistance;
 - (f) for programs of urban development, especially small labor-intensive enterprises, marketing systems, and financial or other institutions to help urban poor participate in economic and social development.

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(5) [107] by grants for coordinated private effort to develop and disseminate intermediate technologies appropriate for developing countries.

c. FAA Sec. 110(a); Sec. 209(a). Is the recipient country willing to contribute funds to the project, and in what manner has or will it provide assurances that it will provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or has the latter cost-sharing requirement been waived for a "relatively least-developed" country)?

d. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing?

e. FAA Sec. 207; Sec. 113. Extent to which assistance reflects appropriate emphasis on: (1) encouraging development of democratic, economic, political, and social institutions; (2) self-help in meeting the country's food needs; (3) improving availability of trained worker-power in the country; (4) programs designed to meet the country's health needs; (5) other important areas of economic, political, and social development, including industry; free labor unions, cooperatives, and Voluntary Agencies; transportation and communication; planning and public administration; urban development, and modernization of existing laws; or (b) integrating women into the recipient country's national economy.

f. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civic education and training in skills required for effective participation in governmental and political processes essential to self-government.

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g. FAA Sec. 201(b)(7)-(4) and -(8); Sec. 201(e); Sec. 211(a)(1)-(3) and -(8). Does the activity give reasonable promise of contributing to the development: of economic resources, or to the increase of productive capacities and self-sustaining economic growth; or of educational or other institutions directed toward social progress? Is it related to and consistent with other development activities, and will it contribute to realizable long-range objectives? and does project paper provide information and conclusion on an activity's economic and technical soundness?

h. FAA Sec. 201(b)(6); Sec. 211(a)(5), (6). Information and conclusion on possible effects of the assistance on U.S. economy, with special reference to areas of substantial labor surplus, and extent to which U.S. commodities and assistance are furnished in a manner consistent with improving or safeguarding the U.S. balance-of-payments position.

2. Development Assistance Project Criteria (Loans only)

Not applicable.

a. FAA Sec. 201(b)(1). Information and conclusion on availability of financing from other free-world sources, including private sources within U.S.

b. FAA Sec. 201(b)(2); 201(d). Information and conclusion on (1) capacity of the country to repay the loan, including reasonableness of repayment prospects, and (2) reasonableness and legality (under laws of country and U.S.) of lending and relending terms of the loan.

c. FAA Sec. 201(e). If loan is not made pursuant to a multilateral plan, and the amount of the loan exceeds \$100,000, has country submitted to AID an application for such funds together with assurances to indicate that funds will be used in an economically and technically sound manner?

d. FAA Sec. 201(f). Does project paper describe how project will promote the country's economic development taking into account the country's human and material resources requirements and relationship between ultimate objectives of the project and overall economic development?

e. FAA Sec. 202(a). Total amount of money under loan which is going directly to private enterprise, is loan to intermediate credit institutions or other borrowers for use by private enterprise, is being used to finance imports from private sources, or is otherwise being used to finance procurements from private sources?

f. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete in the U.S. with U.S. enterprise, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan?

3. Project Criteria Solely for Security Supporting Assistance

FAA Sec. 531. How will this assistance support promote economic or political stability?

4. Additional Criteria for Alliance for Progress

[Note: Alliance for Progress projects should add the following two items to a project checklist.]

a. FAA Sec. 251(b)(1), -(8). Does assistance take into account principles of the Act of Bogota and the Charter of Punta del Este; and to what extent will the activity contribute to the economic or political integration of Latin America?

b. FAA Sec. 251(b)(8); 251(h). For loans, has there been taken into account the effort made by recipient nation to repatriate capital invested in other countries by their own citizens? Is loan consistent with the findings and recommendations of the Inter-American Committee for the Alliance for Progress (now "CEPCIES," the Permanent Executive Committee of the OAS) in its annual review of national development activities?

This assistance will promote economic stability by assisting the GOE find solutions to technical and managerial problems in its economic and social development programs, raising the level of technical expertise available and making technicians and managers aware of alternative solutions to such problems.

Not applicable.

6C(3) - STANDARD ITEMS CHECKLIST

Listed below are statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation or covered in the agreement by exclusion (as where certain uses of funds are permitted, but other uses not).

These items are arranged under the general headings of (A) Procurement, (B) Construction, ... (C) Other Restrictions.

A. Procurement

- | | |
|--|--|
| 1. <u>FAA Sec. 602</u> . Are there arrangements to permit U.S. small business to participate equitably in the furnishing of goods and services financed? | Procurement of goods and services will be pursuant to established AID regulations. |
| 2. <u>FAA Sec. 604(a)</u> . Will all commodity procurement financed be from the U.S. except as otherwise determined by the President or under delegation from him? | Yes. |
| 3. <u>FAA Sec. 604(d)</u> . If the cooperating country discriminates against U.S. marine insurance companies, will agreement require that marine insurance be placed in the U.S. on commodities financed? | Yes. |
| 4. <u>FAA Sec. 604(e)</u> . If offshore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity? | There will be no such procurement. |
| 5. <u>FAA Sec. 603(a)</u> . Will U.S. Government excess personal property be utilized wherever practicable in lieu of the procurement of new items? | Consideration will be given to the use of excess property when practical. Few, if any, instances are expected. |
| 6. <u>IMA Sec. 901(b)</u> . (a) Compliance with requirement that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S.-flag commercial vessels to the extent that such vessels are available at fair and reasonable rates. | Yes. |
| 7. <u>FAA Sec. 621</u> . If technical assistance is financed, will such assistance be furnished to the fullest extent practicable as goods and professional and other services from private enterprise on a contract basis? If the facilities of other Federal agencies will be utilized, | Yes. |

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are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

8. International Air Transport. Fair Competitive Practices Act, 1974

If air transportation of persons or property is financed on grant basis, will provision be made that U.S.-flag carriers will be utilized to the extent such service is available?

Yes.

B. Construction

1. FAA Sec. 601(d). If a capital (e.g., construction) project, are engineering and professional services of U.S. firms and their affiliates to be used to the maximum extent consistent with the national interest?

Not applicable.

2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable?

No construction is to be financed.

3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million?

Not applicable.

C. Other Restrictions

1. FAA Sec. 201(d). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter?

Not applicable.

2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights?

Not applicable.

3. FAA Sec. 620(h). Do arrangements preclude promoting or assisting the foreign aid projects or activities of Communist-Bloc countries, contrary to the best interests of the U.S.?

The project agreement will so stipulate.

4. FAA Sec. 636(i). Is financing not permitted to be used, without waiver, for purchase, long-term lease, or exchange of motor vehicle manufactured outside the U.S. or guaranty of such transaction?

Financing is not permitted to be used for such purposes.

C.

5. Will arrangements preclude use of financing:
- a. FAA Sec. 114. to pay for performance of abortions or to motivate or coerce persons to practice abortions? **Yes.**
 - b. FAA Sec. 620(g). to compensate owners for expropriated nationalized property? **Yes.**
 - c. FAA Sec. 660. to finance police training or other law enforcement assistance, except for narcotics programs? **Yes.**
 - d. FAA Sec. 662. for CIA activities? **Yes.**
 - e. App. Sec. 103. to pay pensions, etc., for military personnel? **Yes.**
 - f. App. Sec. 106. to pay U.N. assessments? **Yes.**
 - g. App. Sec. 107. to carry out provisions of FAA Sections 209(d) and 251(h)? (transfer to multilateral organization for lending). **Yes.**
 - h. App. Sec. 501. to be used for publicity or propaganda purposes within U.S. not authorized by Congress? **Yes.**

ANNEX F.

The following two letters constitute the GOE's formal request for assistance. The amounts mentioned in these letters, which total \$5.0 million, are for the extension of the Technical Transfer and Manpower Development Project in FY 1977. Similar letters will be forwarded for assistance in FY 1978 and FY 1979.



MINISTER OF ECONOMY
AND ECONOMIC COOPERATION

COPIES TO	<i>P. A. H. EL NAZER</i>
COPY TAKEN	DATE <i>3/9</i>
BY	INITIALS

U. D. H. 3/1/77 Cairo : February 26, 1977
To El Nazer
Min. of Economy

CAPITAL DEVELOPMENT	

Mr. Donald S. Brown
 Director
 Agency for International Development
 Cairo.

Dear Mr. Brown,

As you know, the Agency for International Development has made \$ 1 million in 1975 and \$ 2 million in 1976 available through the Technology Transfer and Manpower Development projects. These funds are being used to finance the services of U.S. experts to solve specific technical and administrative problems in Egypt, to explore areas of possible cooperation between our two countries and to develop Egyptian manpower and technical/managerial expertise through training and observation visits in the United States.

I believe that these two projects are a worthwhile component in the U.S. assistance program for Egypt and request that the activity be funded again this year. I suggest that at least \$ 2.5 million be allocated to the activity this year.

Sincerely Yours,

A. G. El Nazer

A. G. El Nazer
 Undersecretary of State
 For Economic Cooperation

FB/



MINISTRY OF ECONOMY
AND ECONOMIC COOPERATION

0/45109

Economic Cooperation Division
Office of the first Under Secretary

REFERENCE TO	PRM INT. DIV/D
ACTION TAKEN	DATE 5/14
NAME	INITIALS

Mr. Donald S. Brown,
Director
Agency for International Development
Cairo

Cairo 3 May, 1977

Dear Mr. Brown,

I am referring to my letter dated Feb. 26 concerning the Technology transfer and Manpower Development projects for Egypt. It seems now that this important program will need an additional sum of \$ 2.5 million to meet the cost of some related equipment needed in support of this project.

I would appreciate looking into this matter and await your response in the near future.

Best regards,

Sincerely yours,

G. El-Nazer

GAMAL EL-NAZAR
First Under Secretary
of State For Economic Cooperation