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ARAB REPUBLIC OF EGYPT  
MINISTRY OF INVESTMENT AND INTERNATIONAL COOPERATION  
DEPARTMENT OF ECONOMIC COOPERATION WITH U.S.A.

U.S. ASSISTANCE MONITORING ANALYSIS  
STUDY

REQUIREMENTS ANALYSIS TASK  
REPORT



**JWK INTERNATIONAL CORPORATION**

**JWK INTERNATIONAL CORPORATION**  
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September 10, 1982

Office of Development Information and Utilization  
Bureau for Development Support  
Agency for International Development  
Washington, D. C.

Re: Contract Number: NEB-0042-C-00-2034-00  
Project Number: 263-0042

Attention of the Director

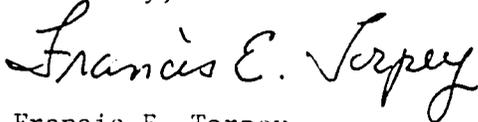
Dear Sir:

JWK International Corporation is pleased to submit 2 copies each of the first two of four reports required upon the completion of Tasks 1, 2, 3, and 4 as specified in the contract Statement of Work. These reports are titled:

1. U. S. Assistance Monitoring Analysis Study--  
Requirements Analysis Task
2. U. S. Assistance Monitoring Analysis Study--  
Existing Capabilities Analysis Task Report

If you desire any additional information, please contact me at 750-0500.

Sincerely,



Francis E. Torpey  
Vice President  
Information & Management Sciences

FET:npl  
encls.



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In Response to:  
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00-2034-00  
Project No. 263-0042

Prepared by:  
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# DECUSA FUNCTIONAL REQUIREMENTS

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## I. INTRODUCTION

### A. Background

The United States of America (U.S.) has maintained a large foreign aid program with the Arab Republic of Egypt (A.R.E.) since 1975. From that time to date, the U.S. has obligated funds in the range of \$7.2 billion for assistance to Egypt. The yearly obligation is about \$1 billion. The assistance being provided varies from delivery of millions of metric tons of food, materials and equipment to the performance of many large-scale development projects. Currently, 70 large-scale assistance projects are active, and the delivery of over \$4 billion worth of commodities is planned or underway.

Until recently, this assistance effort was mostly managed by the U.S. Agency for International Development (USAID), which worked directly with individual ministries and other organizations within the A.R.E. in initiating and monitoring the various assistance activities. Both governments have agreed that Egypt should play a larger management role in the initiation and execution of U.S. assistance, and the Ministry of Investment and International Cooperation (MIIC) was given the task of coordinating this assistance, with the Department of Economic Cooperation with U.S.A. (DECUSA) to perform the direct coordination function. DECUSA is currently performing the U.S. Assistance monitoring function, but is understaffed and needs additional facilities to perform its mission adequately.

A contract was let to JWK International to study the DECUSA mission requirements and develop an overall long-term approach to a successful DECUSA operation. The contract calls for four tasks to be accomplished, each providing a separate report. The first task is to study the DECUSA requirements (this report is the result of that task), the second task is to review the existing capabilities available to DECUSA, the third task is to develop a long-range operating concept, and the fourth task will be to develop an implementation plan. In addition to this report, three other reports resulting from tasks 2, 3 and 4, will be delivered. This report is being delivered at the same time as the report from Task 1 and should be read in conjunction with that report.

### B. Study Assumptions

The analysis performed by JWK is based on the following study assumptions. First, the overall U.S. assistance effort will not change appreciably and the current monitoring requirements will remain substantially the same in the future. Second, both USAID and DECUSA will continue to perform related U.S. assistance monitoring activities in the future because both countries are vitally interested in seeing a successful effort take place. Some of the monitoring requirements will be shared--that is, although both organizations will be interested in the results, monitoring will be performed by one organization which will then provide relevant information to the other. Other activities will be performed as a coordinated effort whenever the direct participation of both organizations is needed. Third, the transition

from DECUSA's current operation to any future operating concept will take an evolutionary approach without any disruption in current monitoring activities. The desirable approach is to phase in additional monitoring functions as monitoring resources become available. Any augmentation must be compatible with existing monitoring activities. DECUSA will be responsible for planning the budget, monitoring assistance delivery and performance, acting as a liaison between the A.R.E. ministries and USAID, and maintaining a central repository of U.S. assistance related information for the A.R.E.

### C. Study Objectives and Scope

#### 1. Objectives

The major objective of this study is to derive overall approaches which will assist DECUSA in performing its mission more effectively. Along with approach descriptions, the study will set forth a practical implementation plan.

#### 2. Scope

The scope of the entire contract awarded to JWK International is 60 workdays of professional effort and 30 workdays of administrative support. Of the 60 professional workdays, about 15 are devoted to each task. The analysis will emphasize possible solutions which utilize automation, with about 65% of the effort directed toward the development of automated approaches and the remaining 35%, to the development of solutions by analysis of personnel and organizational considerations.

### D. Task Methodology

The DECUSA existing capabilities task was performed in four steps. First, literature and reports regarding U.S. assistance projects were collected and studied. Second, a trip was made to Egypt during which both DECUSA and USAID personnel were interviewed at length, and additional procedural and organizational documentation was obtained. Third, the interview notes, taped recordings of certain interviews, and all literature were reviewed again, and USAID personnel in Washington, D.C. were contacted for specific areas of questioning. Fourth, this report was developed for DECUSA comments and guidance regarding changes.

### E. Outline of Report

In addition to this introduction, the report contains four sections. Section II provides an overview of the U.S. assistance being supplied to Egypt with an emphasis on factors related to monitoring activities. Section III defines the specific monitoring activities which DECUSA could perform. Section IV gives a description of future DECUSA reporting and information storage requirements, and contains drafts of representative report formats. Section V discusses personnel workload considerations.

## II. DESCRIPTION OF U.S. ASSISTANCE TO EGYPT

### A. Types of Assistance Provided

As has been mentioned in the introduction, the United States Government has maintained an assistance program with the Arab Republic of Egypt since 1975 and has obligated about \$7.2 billion, with a current funding of about \$1 billion per year. It is not in the interest of this study to describe the actual assistance to be provided; however, the various characteristics of the assistance are pertinent, especially those characteristics related to monitoring activities. In essence, the U.S. assistance to Egypt is of four different types: (1) commodities and goods shipped from the U.S. for direct distribution and use, (2) long-term, large-scale projects related to construction and infrastructure development, (3) technical assistance services from consultants, and (4) education and training of Egyptians, both in the U.S. and in Egypt. The monitoring requirements of these four types of assistance differ substantially and should be reviewed as separate entities.

#### 1. Commodities

Directly distributed commodities account for about \$4 billion of the \$7.2 billion obligated to date. A large portion (about \$1.6 billion worth) of the shipped commodities consists of 8.5 metric tons of wheat and wheat flour. Other types of delivered food and supply commodities are: coking coal, tallow, tinplate, wood pulp, frozen chickens, chemicals, scrap iron, cotton seed oil, tobacco and cigarette paper, and various grains. The following types of equipment have been provided: buses, pickup trucks, truck trailers, electronic equipment, fire fighting equipment, diesel engines, etc.

Although the specific numbers of shipments vary from month to month and specific figures were not immediately available, some of 2,000 letters of credit have been opened since the start of the assistance activity. If a letter of credit generates an average of 5 distinct shipments or detailed line items on a bill of lading, a general estimate is that as many as 10,000 shipments of U.S. assistance commodities and other items have been made to Egypt since the beginning of the U.S. assistance activity in 1975. A portion of the commodities has been distributed to private sector (not A.R.E. government) organizations, and over 250 such firms have opened letters of credit. The extent of shipping activity for these commodities is such that USAID has seven persons stationed at the Port of Alexandria to track shipment of commodities.

#### 2. Development Projects

Stating the number of projects and amount of funds related to large-scale projects currently being executed can be misleading because the term project, in the parlance used by USAID, can refer to a distinct development

project, a program consisting of multiple development projects and/or technical assistance and/or training, or a program concerned with distributing sophisticated equipment. Certain "official" projects consist, in fact, of subprojects, and some of these subprojects are of a larger scope than other projects.

The USAID project could more appropriately be termed "Program," or perhaps "Assistance" agreement, because multiple diverse activities can take place within the same USAID project and multiple contracts can be awarded under the same USAID project number. In order to make these distinctions and at the same time keep terminology familiar to the reader, this report uses the term "program/project" for the USAID term, "project," and "project activity" or "subproject" for those activities in a USAID program/project which are performed in a single contract and can be monitored as a distinct activity.

In JWK's review of literature on all the U.S. assistance activities recently performed or in progress in Egypt, 78 separate program/project numbers were identified; of these, 70 were active and only 54 were both active and related to actual development projects with long-term development schedules. Closer review of the assistance being provided indicates that about 250 development project activities are being executed under the 54 active projects. One project, for example, Program/Project number 153, Neighborhood Urban Services, is comprised of 184 subprojects for 12 Cairo and 4 Alexandria districts. Under this program/project number, three demonstration project activities have already been completed, and multiple contractors are involved.

The 250 or so estimated development project activities vary widely in cost, duration, and type of development effort. At the upper cost level are the development of two power plants and two cement plants. The cost of construction for the Ismailia Electric Power Plant is \$141 million, and the Shoubra El Kheima Thermal Power Plant, \$190 million. The Suez and Quattamia Cement Plant development efforts will cost \$100 million and \$95 million, respectively. In contrast, a project activity to modernize the A.R.E. personnel and business income tax systems will cost about \$2.1 million. The durations of various project activities differ, with some of the existing project activities still in continuation after six years.

### 3. Technical Assistance

The technical assistance support portion of the U.S. assistance cannot be totally quantified because much of the technical assistance is imbedded in development projects and training activities. USAID has estimated that all consultant and contractor salaries are less than 5% of all the total assistance being provided. Reviewing the USAID program/project descriptions indicates that upwards of \$150 million is a valid estimate of the amount of technical assistance support obligated to date. Although this figure is only 2% of the total U.S. assistance package, the amount is sizeable and it should be monitored.

#### 4. Training

Training accounts for a small but significant portion of the overall assistance to Egypt. Three types of training are provided: (1) imbedded training provided as a portion of large implementation programs, (2) direct training programs provided to Egypt for specific purposes, and (3) training programs provided to Egyptians in the U.S. The first type of training is included in individual projects from a standpoint of funding. The amount of funding obligated for the second and third types of training is in the range of \$100 million, or about 1.5% of the total. Most of this \$100 million obligated for training and education purposes is to train people in the U.S. In fiscal year 1981, 561 people were sent to the U.S. for training.

#### B. Discussion of Assistance Fund Sources

##### 1. Economic Support Fund (ESF)

The ESF is the largest source of revenue for U.S. aid to Egypt, with a total of \$5.4 billion obligated to date. The ESF is divided into two categories: Commodity Input Program (CIP) and Projects. The CIP is related to the direct distribution of U.S. commodities to Egypt, and accounts for about \$2.5 billion in obligated funds to date. The CIP funds are generated from individual agreements made between the U.S. and Egypt for an overall sum of money, with the agreement sum further allocated to individual ministries in the A.R.E. Government. Currently, 16 agreements are still in force with commodity funds not fully expended. Each fiscal year, about two separate agreements are signed, and the funds of an individual agreement are allocated to about 10 different ministries. The most recent agreement, K604, became official in February, 1982, for a total sum of \$300 million. This funding has not yet been allocated to individual ministries. Figure II-1 provides a list of previous agreements with individual ministry allocation funding.\* The ESF projects are related to a wide variety of assistance, and account for \$2.9 billion obligated to date. Whereas the CIP monitoring is concerned with procurement and speedy delivery of commodities, ESF project monitoring is concerned with development efforts with interrelated milestones. About 78 separate program/project numbers are included in the ESF project portfolio. (See Figure II-2 for a list of program/projects.) As has been mentioned in earlier paragraphs, about 250 different discrete project activities exist.

##### 2. Public Law 480 Funding

PL-480 funding is divided into three areas: Title I, which constitutes the loans for the Food for Peace Program; Title II, which is related to child health care; and Title III, which constitutes, in effect, the grant portion of the Food for Peace Program. Titles I and III have, in essence, become a supplement to the Egyptian wheat food crop, and monitoring is required to determine how much additional wheat and wheat flour is needed to augment Egyptian wheat production. In 1982, 1.5 million metric tons of wheat and wheat flour are expected to be provided as a supplement to meet one quarter of the Egyptian wheat requirement. About \$1.68 billion has been funded to date in relation to titles I and III.

\* Figure II-1 does not include information which was not available for several FY 1975 agreements.

FIGURE II-1

CIP AGREEMENT FUNDING

Agreement #	Ministry	Commodity Distribution	Obligated Amount	
K-603  FY 1981	Agriculture	Soybean Meal	3,000,000	
	Communication	Microwave System	15,000,000	
	Education	Medical Equipment		2,409,000
		Medical Instruments		5,193,500
		Syringes, Needles, etc.		137,000
		Visual Aid Equipment		56,000
		Freight/Med. Instruments		100,000
		Scanners (2) Laser		478,760
		Amt. Available		8,325,740
			<u>16,700,000</u>	
	Electricity	Transformers		5,000
		Power Distribution		6,500
		Transformers & Acces.		3,585,994
		Sp. Parts/Turbines		2,583,659
		Sp. Parts/Power		17,143
		Parts/Turbines		759,397
		Power Co. Equip.		500,000
		Heavy Hauling Unit		500,000
		Gen. Parts		5,000,000
		Equip. for Power		500,000
		Tractor Trailers		4,000,000
		Turbine Gen.		11,325,280
		Equip/Elect.		974,720
		Sp. Parts/GE Gas		2,034,985
		Sp. Parts/GE Turbines		343,709
		Recording Rolls		56,440
		Turbine Motors		11,554
Parts/Steam Plant			59,088	
Collector Assemblies			47,250	
Sp. Parts/Boilers		275,000		
Fire Trucks		586,775		
Diesel Generators		1,619,256		
		<u>46,300,000</u>		
GOFI	Sugar boilers		7,871,561	
	Sugar Milling Station		6,500,000	
		<u>14,371,561</u>		
Governates	Road Construction Equip.		2,000,000	
	Rear Loading Refuse		206,506	
	Truck and Road Equip.		944,050	
	Sanitation/Fire/Light.		355,621	
	Trucks, Side Loading		2,980,800	
	Trucks, Dump		603,750	
	Sweepers, Vacuum St.		905,050	
	Hammers, Hydraulic		99,493	
Amt. Available		5,404,391		
		<u>15,000,000</u>		

FIGURE II-1

(Continued)

Agreement #	Ministry	Commodity Distribution	Obligated Amount
K-603 FY 1981 (cont.)	Housing	Trucks/Trailers	2,500,000
	Industry	Coking Coal	33,498,968
		Tobacco	5,417,750
		Amt. Available	583,282
			<u>39,500,000</u>
	Information	Web-Offset Printing	1,500,000
		Printing Equipment	1,793,330
		Sheet-Fed Presses	2,138,520
		Bookbinding Line	1,500,000
		Offset Presses & Aux.	2,674,720
		Color Scanners	478,760
		Plate Making Equip.	17,000
		Page Makeup Cameras (IMP/Level)	394,950 500,000
		Amt. Available	2,085,130
		<u>13,900,000</u>	
Irrigation	Pumps, Irrigation	1,870,000	
	Construction Equipment	1,130,000	
		<u>3,000,000</u>	
Social Affairs	Computer	2,000,000	
Supply	Tallow	12,334,013	
	Amt. Available	12,794,399	
		<u>26,128,439</u>	
Transport	(IMP/Level)	2,123,285	
	Sp. Parts/Trucks	800,000	
	Sp. Parts/Locomotive	1,780,900	
	Turbochargers	219,100	
	Wheel Loader	64,830	
	Earth-Moving Equipment	70,000	
	Asphalt Finishers	345,864	
	Amt. Available	1,945,021	
		<u>7,349,000</u>	
Agreement #	Ministry	Commodity Distribution	Obligated Amount
K-055 FY 1981	Private Sector	-----	35,000,000
	Supply	Corn	17,447,598
		Tallow	5,347,702
		Freight/Corn	6,204,700
		Amt. Available	6,000,000
		<u>35,000,000</u>	

FIGURE II-1

(Continued)

Agreement #	Ministry	Commodity Distribution	Obligated Amount	
K-602	Education	Lab Equipment	300,000	
		Office Equipment	700,000	
		Basic Educ. Commodities	8,699,900	
			<u>10,000,000</u>	
	Private Sector	-----	5,500,000	
FY 1980	Supply	Tallow	17,298,552	
		Frozen Chickens	4,172,480	
		Corn	13,435,122	
		Lentils	3,885,222	
		Amt. Available	708,624	
			<u>39,500,000</u>	
Agreement #	Ministry	Commodity Distribution	Obligated Amount	
K-054	Agriculture	Fish Meal	2,000,000	
	Civil Aviation	Firefighting Equip.	1,400,000	
		(IMP/Level)	1,522,623	
	GOFI		Tire Making Mach.	3,082,416
			Bias Cutters & Parts	472,927
			Refiner Mill, Cracked	1,162,034
			<u>6,240,000</u>	
	Governorates		Refuse Collection	3,000,000
			Rear Loading Refuse	1,000,000
			<u>4,000,000</u>	
	Health		Mattresses, Hospital	245,956
			Amt. Available	1,284,035
			<u>1,530,000</u>	
	Housing		Turbine Generators	962,770
			Amt. Available	210,196
			<u>1,172,966</u>	
	FY 1980	Industry	Woodpulp	7,199,905
			Tobacco	17,429,077
			Acetate Tow	2,298,564
			Polyacrylic/Polyester	703,884
Tinplate			12,816,679	
Coking Coal			25,988,832	
Acrylic Tow			492,500	
Kraftliner			1,495,560	
Wire Supplies			386,825	
Sp. Parts/Textile			40,974	
Banking Charges			15,000	
Sulphur Ore			4,119,668	
Amt. Available			1,116,533	
			<u>83,665,000</u>	
Information		Installation Service	210,874	
		Elec. Transformer	1,296,405	
		Air Cond. Equip.	363,300	
		Offset Presses	1,750,000	
		Plate Making Equip.	214,650	

FIGURE II-1

(Continued)

K-054 FY 1980 (cont.)	Information (cont.)	Access/Offset	39,841
		Supervision Services	77,870
		Inch Motor Access	440,240
		Offset Presses & Aux.	6,354,000
		Printing Plates	660,000
		Photo Typesetting Equip.	769,000
		Gen. Power	802,250
		Printing Equip.	106,039
		Amt. Available	592,609
			<u>13,699,000</u>
Irrigation	Diesel Electric Pump	400,000	
	Generators, Transform.	500,000	
	Amt. Available	100,000	
	<u>1,000,000</u>		
Private Sector		-----	25,000,000
Suez Canal Authority	Sp. Parts/ VTMS	1,137,164	
	Amt. Available	2,209,836	
		<u>3,347,000</u>	
Supply	Corn	55,514,062	
	Frozen Chickens	10,813,190	
	Freight Corn	90,114	
	Lentils	5,073,581	
	Sp. Parts/Trucks	385,014	
	Tallow	18,927,406	
	<u>93,000,000</u>		
Transport	Increase of L/C 3035	7,891,309	
	Helmond Valley Veste	5,000,000	
	Transmissions	937,034	
	Amt. Available	127,691	
	<u>13,956,034</u>		
Agree- ment #	Ministry	Commodity Distribution	Obligated Amount
K-053 FY 1980	Communications	Microwave System	10,000,000
	Electricity	Elec. Lab. Equip.	720,083
		Diesel Generators	1,400,000
		Banking Charges	2,676
		Amt. Available	11
			<u>2,122,770</u>
	Housing	Turbine Generators	6,877,230
		Amt. Available	500,000
			<u>7,377,230</u>
	Private Sector		-----
Supply	Frozen Chickens	2,252,250	
	Corn	4,691,665	
	Freight for Corn	467,424	
	Amt. Available	88,661	
		<u>7,500,000</u>	

FIGURE II-1

(Continued)

Agreement #	Ministry	Commodity Distribution	Obligated Amount
K-601  FY 1979	Communications	Microwave System	1,500,000
	Education	Lab Equipment	1,847,774
		Binding Equip.	541,000
		Printing Press	1,663,000
		Educational Material	7,614,959
		Micro Film	688,896
		Photo Copying Machine	553,406
		Microfilm Journal	228,189
		Microscopes	703,000
		Microfilm Equip.	158,428
		Furnishing & Equip.	532,310
		Furniture	837,533
	Copying Machine	257,055	
Amt. Available	1,074,450		
		<u>16,700,000</u>	
Electricity	Technical Services	500,000	
	Engines, Gas Turbines	4,942,100	
	Gens. & Sp. Parts	3,968,974	
	Amt. Available	88,926	
		<u>9,500,000</u>	
GOPI	Unloading System	1,894,090	
	Sugar Milling Station	8,024,690	
		<u>9,918,780</u>	
Industry	Coking Coal	4,963,165	
	Amt. Available	118,055	
		<u>5,081,220</u>	
Information	Uninterruptible Power	293,856	
	Amt. Available	6,144	
		<u>300,000</u>	
Private Sector	-----	8,500,000	
Supply	Tallow	10,542,766	
	Chickens, Frozen	7,415,775	
	Corn	10,354,456	
	Amt. Available	187,003	
		<u>28,500,000</u>	
Transport	Construction Equip.	4,350,000	
	Crushing & Screening	590,000	
	Sp. Parts/Asphalt	25,655	
	Amt. Available	21,345	
		<u>5,000,000</u>	

FIGURE II-1

(Continued)

Agreement #	Ministry	Commodity Distribution	Obligated Amount
K-601	Agriculture	Fishmeal	4,802,458
		Soybean Meal	177,842
			<u>4,980,300</u>
	Civil Aviation	Fire Fighting Equip.	300,000
FY 1979 (cont.)	Communication	Microwave Network	3,149,266
		Microwave System	60,000
		Amt. Available	290,734
			<u>3,500,000</u>

Agreement #	Ministry	Commodity Distribution	Obligated Amount
K-052	Housing	Motor Graders	519,396
		Amt. Available	604
			<u>520,000</u>
FY 1979	Industry	Coking Coal	30,000,000
		Acetate Tow	3,393,069
		Tobacco	24,993,319
		Tobacco Process	1,130,000
		Woodpulp	5,161,500
		Tinplate	22,992,924
		Sulphur, Yellow	1,284,576
		Freight/Sulphur Ore	149,712
		Amt. Available	781,900
FY 1979	Information	Printing Machinery	1,130,358
		Printing Equip.	3,988,917
		Lab Equip.	25,000
		Sp. Parts/Trucks	64,762
		Graphotype Mach.	12,000
		Auto PABX Tel.	175,283
		Phototypesetting	350,000
		Offset Plate Process	60,000
		Offset Press	60,407
		Amt. Available	704,273
		<u>6,571,000</u>	
FY 1979	Irrigation	Electric Motors	396,243
		Diesel Electric Pump	103,757
			<u>500,000</u>
	Private Sector	-----	25,000,000
FY 1979	Supply	Freight/Tallow	7,175,598
		Cotton Seed Oil	10,361,460
		Lentils	5,627,866
		Frozen Chickens	2,988,375
		Freight for Corn	2,218,749
		Sp. Parts/Trucks	992,700
		Tallow	29,496,029
		Corn	17,379,380
		Automatic Bakeries	18,126,262
Amt. Available	297,487		
		<u>90,000,000</u>	

FIGURE II-1

(Continued)

Trade	Cranes & Shovels	325,986
	Pumps	24,014
	Mach. & Equip.	649,325
	Amt. Available	375
		<u>999,700</u>

K-052  FY 1979 (cont.)	Transport	Sp. Parts for Buses	7,352,017
		Sp. Parts for Ward	792,152
		Transmissions	204,312
		Bus Engines	385,000
		Traffic Control Center	3,600,000
		Sp. Parts/Locomotive	4,539,242
		Lead Acid Batteries	222,302
		Sp. Parts for KENW	300,854
		Rollers, Tandem	57,046
		Road Construction Equip.	3,542,674
		Asphalt Plant Equip.	31,795
		Front End Loaders/GR	599,608
		Roller Vibratory/TA	241,881
		Drum Mix Asphalt Plant	550,000
		Asphalt Plant	1,355,926
		800418800602Self-Pro	1,846,676
		Vibratory Rollers	242,933
		Training Costs	200,000
Construction Equip.	579,000		
Amt. Available	197,275		
	<u>27,742,000</u>		

Agreement #	Ministry	Commodity Distribution	Obligated Amount
(A)	Civil Aviation	Radar Surveillance	250,000
K-045 (A&B)  FY 1977 1978 (A)	Electricity	Gens	379,481
		Trucks, Pickup	3,062,158
		Forklift & Cranes	2,500,180
		Gens, Diesel	2,642,307
		Lab Equip. & Furn.	445,330
		Electrical Sp. Parts	4,645,508
		Elec. Lab Equip	814,926
		Generators	506,564
		Banking Charges	5,229
		Amt. Available	1,317
	<u>15,003,000</u>		
GOFI		Welding Unit	294,700
		Sp. Parts/Textiles	133,172
		Sugar Milling Sta.	337,670
		Thick Film Lab.	391,600
	<u>1,157,142</u>		

FIGURE II-1

(Continued)

(B)	GOFI	Knitting Machine	116,000
		Turning Lathe & Acces.	23,600
		Sp. Parts/Tobacco	66,927
		Cargo Vans	658,597
			<u>1,491,964</u>
(A)	Governorates	Refuse Collection Equip.	6,830,358
		Loaders	422,824
		Firefighting Trucks	704,850
		Firefighting Equip.	1,675,615
		Radio Network	224,896
		Amt. Available	37,457
			<u>9,896,000</u>
(A)	Industry	Tobacco	24,980,468
		Acetate Tow	6,488,058
		Woodpulp	1,756,600
		Freight/Sulphur Ore	76,000
		Amt. Available	3,332
			<u>33,304,458</u>
K-045 (A&B)	Industry	Graphite Electrodes	1,498,923
		Tinplate	10,002,541
		Coking Coal	28,909,523
		Acetate Tow	697,227
		Amt. Available	2,245,494
			<u>57,508,036</u>
FY 1977 1978 (cont.)	Information	Photo Typesetting Eq.	5,440,009
		Binding Line	1,477,173
		Sp. Parts/Photo Mech.	82,818
		Trucks	230,000
		Photo Film & Chem.	33,575
		Film Processors	132,575
		Trucks, Electric	113,660
		Sp. Parts/Printing	56,916
		Sp. Parts/Offset	14,624
		Printing Cabinets	34,263
		Single Knife Trimmer	23,544
		Film & Chemicals	21,047
		Printing Equipment	1,492,716
		Photo Typesetting	4,122,000
		Amt. Available	78,003
			<u>13,353,000</u>
(A)	Housing	GE Vacuum Switchgear	347,000
		Amt. Available	3,000
			<u>350,000</u>
(A)	Suez Canal Authority	Navigation Control	17,228,800
		Marine Diesel Engine	58,280
		Generators	123,633
		Hand Held Telephone	25,000

FIGURE II-1

(Continued)

K-045 (A&B)	Suez Canal Authority (cont.)	Gas Masks	165,134
		Safety Equipment	40,353
		Core Drill & Accessories	61,300
		Sp. Parts/Computer	289,234
		Test Equipment	215,411
		Elec. Spare Parts	77,502
		Vtms. Sp. Parts	1,567,160
		Mobile Radio Units	20,986
		Cranes (Rough Terrain)	220,035
		Wheel Loaders	295,431
		Radar Operator Equip.	460,000
		Trucks, Diesel, Forklift	90,687
		Road Construction Equip.	136,833
		Liquid Foaming Agent	440,651
		Air Compressor	31,685
Crawler Drill	76,528		
Amt. Available	26,357		
FY 1977 (A)			21,653,000
1979 (cont.)	Supply	Freight/Corn	7,596,807
		Tallow	39,616,612
		Chickens, Frozen	23,655,112
		Corn	24,595,767
		Freight/Tallow	262,537
		Sp. Parts/Trucks	14,381
		Amt. Available	367,184
(B)			96,108,400
(B)	Supply	Tallow	14,997,237
		Amt. Available	2,763
(A)			15,000,000
(A)	Trade	Machinery & Equipment	843,257
		Amt. Available	743
(A)			844,000
(A)	Transport	Tractor Trailers	20,998,815
		Turret Lathes	1,400,000
		Traffic Equipment	267,560
		Road Const. Equipment	250,000
		Motor Graders	93,044
		Loaders	178,098
		Road Rollers	237,125
		Front End Loaders	227,836
		Railcar Assemblies	426,875
		Amt. Available	1,647
			24,081,000

Agreement #	Ministry	Commodity Distribution	Obligated Amount
K-038	Communication	Microwave System	31,919,220
		Amt. Available	780
			31,920,000
FY 1977 1978	Education	Lab Equipment	273,425
		Amt. Available	45,575
			319,000

FIGURE II-1

(Continued)

Agreement #	Ministry	Commodity Distribution	Obligated Amount
K-038 FY 1977 1978 (cont.)	Electricity	Turbine Gens	2,674,720
		Food Processing Mach.	1,717,749
		Salt Harvesters	232,100
		Vans and Buses	320,454
		Tobacco Conditioning	115,247
		Can Seaming Mach.	149,999
		Tin Dressing Equip.	252,665
		Trucks, Dump	204,930
		Loaders, Front	76,538
		Metalworking Mach.	107,441
		Electrical Apparatus	197,975
		Grinding Mach.	155,623
		(IMP/Level)	267,962
		Hydrogenating Edible	1,040,309
		Spinning & Weaving	385,181
		Boiler House Equip.	114,385
		Glass-Steel Reaction	411,907
		Turning Lathes & Acces.	926,000
		Industrial Handling	754,330
		Mobile Cranes	915,500
		Sp. Parts/Cranes	75,616
		Engines, Diesel, etc.	384,733
		Automotive Maintenance	221,550
		Punch Press	366,218
		Forklift Trucks	342,048
		Machinery & Equip.	651,023
		Pipes & Fittings	80,751
		Pin Mills	223,665
		Textile Equip.	702,450
		Termoforming Mach.	281,532
		Balancing Mach. etc.	112,560
		Carbon Dioxide Gen.	519,470
		Sugar Boiler Mach.	3,373,526
Sugar Milling Station	341,084		
Sp. Parts/Sugar Boiler	752,333		
Amt. Available	3,033		
	<u>16,877,887</u>		
	Governorates	Refuse Collection Equip.	1,998,240
		Amt. Available	1,760
			<u>2,000,000</u>
	Health	Communication Equip.	3,100,765
		Excess Property	613,278
		Amt. Available	1,735
			<u>3,715,778</u>

FIGURE II-1

(Continued)

Agreement #	Ministry	Commodity Distribution	Obligated Amount
K-038 FY 1977 1978 (cont.)	Industry	Tobacco	35,433,014
		Agriculture Equip.	1,889,385
		Woodpulp	5,944,990
		Polyster Yarn	1,099,160
		Dyestuffs and Aug.	2,075,303
		Synthetic Fibers	2,762,882
		Coking Coal	4,025,840
		Rubber, Synthetic	499,349
		Machinery & Equip.	52,962
		Caproactam	1,450,400
		Sp. Parts/Textile	445,855
		Doffing Mach.	157,073
		Textile Machinery	174,940
		Wires, Steel Drop	64,434
		Trucks, Forklife	304,644
		Sp. Parts/Weaving	88,994
		Spinning Machines	157,798
		Spinn. & Weaving Equip.	137,017
		Firefighting Equip.	147,830
		Solid Caustic Soda	999,814
		Parts for Auto Works	11,423
		Textile Pickers	12,445
		Sp. Parts/Forklife	10,484
		Tinplate	10,825,479
		Graphite Electrodes	4,302,104
		Components/Air Cond.	947,749
		Hospital Equip.	204,000
Freight/Sulphur	41,000		
Amt. Available	292,057		
		<u>79,459,984</u>	
	Information	Transmitters	4,682,608
		Printing Equipment	461,215
		Offset Presses	12,975,145
		Die Cutting Machine	100,788
		Scanning Machine	444,340
		Photographic Supplies	22,928
		Folding & Gluing	189,916
		Electric Forklife	81,053
		Printing Press	441,965
		Binding Machine	245,540
		Components/Scanners	13,601
		Single Knife Trimmer	347,320
		Page Makeup Cameras	156,166
	Amt. Available	2,861	
		<u>20,164,446</u>	

FIGURE II-1

(Continued)

Agreement #	Ministry	Commodity Distribution	Obligated Amount
K-038 FY 1977 1978 (cont.)	Housing	Trucks, Cement	1,313,000
		Amt. Available	187,000
			<u>1,500,000</u>
	Suez Canal Authority	Dredge	1,990,976
		Autos, Passenger	281,116
		Pumps, High & Low	315,234
		Trucks, Platform	192,561
		Generator Sets, Diesel	833,347
		Sp. Parts	164,395
		Workshop Equip.	164,569
		Hand Tools	37,909
		Generator Sets	76,865
		Photocopying Machine	6,197
		Crane, Amphibious	199,681
		Mobil DC Diesel	54,600
		Trucks, Electric	148,245
		Air Compressors	114,599
		Tele. Cables/Terminal	2,416,423
		Sp. Parts/Generator	79,168
		Fire Fighting Computer	193,540
		Fire Fighting Equipment	30,116
		Shipbuilding Equip.	1,000,000
		Sp. Parts/Cranes	280,541
		Telephone Cables	45,904
		Transceivers	167,272
		Arc Welding Sets	363,195
		Locomotive Tractor	51,800
		Pumps	145,474
		Wreckers	68,826
		Roadbuilding Equipment	148,816
	Generators	266,887	
	Sp. Parts/Dredger	441,884	
	Dredging Equipment	1,000,000	
Excess Property	17,000		
Amt. Available	<u>1,710,860</u>		
	<u>13,008,000</u>		
Supply	Corn	65,716,500	
	Chickens, Frozen	10,717,151	
	Tallow	48,122,371	
	Edible Oils	85,843,913	
	Freight for Tallow	219,112	
	Corn & Freight	6,216,215	
	Freight for Corn	578,814	
	Raw Cotton	9,709,500	
	Amt. Available	<u>451,421</u>	
	<u>227,574,997</u>		

FIGURE II-1

(Continued)

Agreement #	Ministry	Commodity Distribution	Obligated Amount
K-038 FY 1977 1978 (cont.)	Transport	Truck-Tractor w/Semi	7,750,000
		Traffic Control System	9,690,801
		Shop System	599,324
		Construction Mach.	700,000
		Asphalt Finishers	75,000
		Excess Property	953,562
		Refrigerated Railcar	2,591,195
		Tractor Motors	3,427,214
	Amt. Available	1,466	
		<u>25,788,562</u>	

Agreement #	Ministry	Commodity Distribution	Obligated Amount
K-036 FY 1976	Agriculture	Utility Vehicles	271,920
		Soybean Seeds	1,268,989
		Trucks, Pickup	3,126,662
		Sprayer, Agriculture	1,890,178
		Soybean Meal	11,441,256
		Amt. Available	93,573
			<u>18,092,578</u>
	Education	Scientific Equip.	876,290
		Dental Equip.	79,363
		Lab & Scientific Equip.	714,894
		Lab Furniture	2,000,000
		Lab Equip.	465,708
		Computer System	217,813
		Amt. Available	73,339
		<u>4,427,407</u>	
	Governorates	Refuse Collection	2,959,299
		Amt. Available	27,701
		<u>2,987,000</u>	
	Industry	Matchboard	994,783
		Farm Equip.	5,321,015
		Freight/Sulphur	161,000
		Amt. Available	5,217
		<u>6,482,015</u>	
	Information	Transmitters	5,000,000
	Irrigation	Booster Pump & Parts	1,174,819
		Deepwell Pumps	714,948
		Electrical Apparatus	91,537
Herbicides		849,728	
Cables		352,929	
Amt. Available		20,039	
	<u>3,204,000</u>		

FIGURE II-1

(Continued)

Agree- ment #	Ministry	Commodity Distribution	Obligated Amount
K-036 FY 1976 (cont.)	Housing	Deepwell Pumps	710,787
		Construction Materials	706,000
		Welding Electr.	244,214
		Amt. Available	999
			<u>1,662,000</u>
	Suez Canal Authority	Elevated Dry Dock	1,149,600
		Carpenter Workshop	296,660
		Sp. Parts/Cranes	1,318,214
		Sp. Parts/Dredger	870,071
		Loader 03611	25,000
		Amt. Available	20,455
			<u>3,680,000</u>
	Supply	Sp. Parts/Trucks	518,126
		Amt. Available	874
			<u>519,000</u>
	Sp. Parts/Buses	2,488,301	
	Sp. Parts/Trucks	6,416,321	
	Snap-On Tools	17,452	
	Amt. Available	23,946	
		<u>8,946,000</u>	

FIGURE II-2

U. S. ASSISTANCE PROJECTS

Title	Ministry/Agency*	Initial FY	Obligated**	
			Grant	Loan
1 Canal Cities Electric Distribution	Egyptian Electric Authority	75	30,000	
2 Technology Transfer & Manpower Development	Shared	75	934	
3 Feasibility Studies I	Shared	75	894	
4 Suez Canal Clearance	Suez Canal Authority	75	44,026	
7 Road Building Equipment	Suez Canal Authority	75	13,888	
8 Talkah Hglwan Gas Turbines	Egyptian Electric Authority	76		69,000
9 Ismailia Power Plant	Egyptian Electric Authority	76	141,000	
10 Mehalla Textile Plant	Misr Spinning & Weaving Co.	76		96,000
11 Technology Transfer & Manpower Development	Shared	76	1,889	
12 Suez Cement Plant	Suez Cement Company	76	100,000	
13 Technical & Feasibility Studies II	Shared	76	14,938	
14 Alexandria Cargo Equipment	Port of Alexandria	76		31,000
15 Rural Health Delivery System	Health	76	7,800	
16 Applied Science/Technology Research	Academy Scient. Research & Technology	77	24,400	
17 Water Use and Management	Irrigation	76	13,000	
18 Development Industrial Bank I	Development Industrial Bank	76		31,000
19 PVC Pipe Drainage	Egypt Public Authority Drainage Projects	76		31,000
20 Integrated Social Work Training Centers	Social Affairs	77	4,000	
21 Develop Decentralization I	ORDEV	78	26,200	
23 National Energy Control Center	Egyptian Electric Authority	78	2,500	41,000
25 Technical and Feasibility Studies II	Shared	77	18,000	
26 Technology Transfer and Manpower Development	Shared	77	24,500	
27 Rice Research Center and Training	Agriculture	77	21,800	
28 Grain Silos	GASC	75		44,275
29 Family Planning	Health	77	26,500	
30 Shoubra Electric Power Plant	Egyptian Electric Authority	79	190,000	
31 Agricultural Mechanization	Agriculture	78	40,000	
33 Urban Electric Distribution	Egyptian Electric Authority	77	10,000	46,012
35 Canal Dredging Equipment	Egyptian Dredging Company	77	5,200	26,000
37 Grain Storage II	GASC	76	2,500	41,000
38 Cairo Water	GOGCWS	77	31,000	30,000
40 Irrigation Pumps	Irrigation	77	8,000	11,000
41 Agriculture Development Systems	Agriculture	77	12,900	
42 Technical and Feasibility Studies	Shared	78	23,000	
45 Development Industrial Bank II	Development Industrial Bank	78	2,000	
47 Suez Canal Port	Red Sea Port Authority	78		30,000
48 Canal Cities Water & Sewage	Gen. Org. for Sanitary Drainage	78	36,000	60,000
52 Quattamia Cement Plant	Suez Cement Company	78		95,000
54 Telecommunications I	ARETO	78		40,000
60 Poultry Development	Agriculture	77	12,500	
61 Development Planning Studies	Cairo University	78	15,800	
64 Aquaculture Development	Agriculture	78	27,500	
65 Urban Health Delivery	Health	79	37,300	
66 Low Income Housing	Housing	78	80,000	
70 Major Cereals	Agriculture	79	47,000	
71 Hydrographic Survey	Maritime Transport	77	8,000	
72 Port Said Salines	El Naar Salines Company	77	13,000	
75 Telecommunications II	ARETO	79	80,000	
79 Small Farmer Production	Agriculture	79	25,000	
89 Alexandria Sewage	AGOSD	77		15,000
90.1 Management Develop. for Productivity	Industry	80	500	
90.2 Vocational Training for Productivity	Industry	81	17,500	
90.3 Industrial Technical Applications	Industry	81	10,000	
90.4 Industrial Productivity Improvement Activities	Industry	81	3,000	
91 Cairo Sewage	Gen. Org. for Sanitary Drainage	78	99,100	
95 Agricultural Cooperative Development	Agriculture	79	5,000	
96 Small Scale Agricultural Activities	Agriculture	79	1,700	
97 Private Investment Ecour. Fund	Economy	79	33,000	
100 Alexandria Wastewater System	AGOSD	79	87,321	
101 Industrial Production	Industry	78	46,445	98,555
103 Basic Villages Service	Economy	80	70,000	
105 Minerals, Petroleum & Groundwater Assessment	EGSMA	80	20,700	
110 Peace Fellowships	Economy	80	54,000	
112 Private Sector Feasibility Studies	Economy	79	5,000	
113 Sinai Planning Studies	Shared	79	2,500	
114 Vehicle Maintenance Training	GSLT	80	4,500	
115 Tax Administration	Finance	80	2,100	
116 Agriculture Management Development	Agriculture	80	5,000	
117 Telecommunications III	ARETO	80	80,000	
118 University Linkages	ESCU	80	27,500	
127 Principal Cities Development	Local Governments	81	20,000	
136 Suez Community Health Personal Training	Health	80	2,700	
137 Diarrheal Diseases	Health	81	26,000	
139 Basic Education	Education	81	39,000	
142 Agriculture Data Collection and Analysis	Agriculture	80	5,000	
143 Decentralized Supply Fund	Economy	80	50,000	
153 Neighborhood Urban Services	Local Governments	80	20,000	
160 Rehabilitation and Modernization of Aswan Dam	Aswan Dam Authority	82	100,000	

\* The term "shared" means that many user agencies may use the funding of the project.

\*\* \$ thousands

### III. ASSISTANCE MONITORING REQUIREMENTS

#### A. Overall Discussion

Monitoring of U.S. assistance to Egypt is currently being performed adequately at the various stages of execution by different U.S. and A.R.E. organizations. The USAID has a staff of 250 people in Egypt whose primary function is monitoring U.S. assistance-related operations. Also, USAID personnel in Washington, D.C. perform monitoring functions, especially in regard to procurement. DECUSA is currently monitoring the U.S. assistance operation, and has a strong knowledge of what is taking place regarding U.S. assistance in Egypt. The inclusion of a discussion on monitoring requirements and goals is not meant to imply that the monitoring function is not currently being performed. Rather, this chapter will take an overall view of what should be monitored and identify monitoring functions which could be performed by DECUSA at some time in the future.

In the life of a typical U.S. assistance activity, there are four general stages which usually take place. The first occurs during budget preparation when the activity is introduced as a possible assistance endeavor. When the activity is deemed worthwhile, it will be included as a portion of the annual budget request for assistance funds from the U.S. Congress. After the activity ultimately has been approved and included in the budget the second stage, the feasibility study then takes place, and the overall plan to execute the assistance activity is initially formulated. In many circumstances, it will be appropriate to initiate a feasibility study prior to the project activity budget preparation, and the second stage will precede the first stage. Upon approval of the feasibility study, the procurement stage takes place and a contractor is ultimately selected. The fourth stage is the execution of the activity.

The above sequence of events varies from activity to activity. In the case of commodities, the budget preparation takes place every year, but a formal agreement, which may last three to five years, will be drawn up after extensive negotiations have taken place between the two countries. Feasibility studies for commodity assistance are not usually performed, but requirements analyses will be done for various types of commodities when agreement amounts are being allocated to discrete financial statements for individual ministries. In the procurement stage, certain procurements are performed by an A.R.E. Ministry and others by USAID. In addition, multiple procurements are normally required for a single USAID program/project. Finally, the assistance activity execution scheduling varies widely among activities. Accordingly, monitoring cannot be performed in the same fashion for all activities.

DECUSA will have a hand in all aspects of U.S. assistance activities, and it will be required to play major monitoring roles in the budget preparation, feasibility study, and project execution stages. It will also be involved as information recipient in the procurement stage.

One of its most important roles, and the role which should have the highest priority, is the coordination of the budget preparation. It is critical to the success of the U.S. assistance effort in Egypt that budget requests be monitored from an overall A.R.E. Government standpoint by an Egyptian organization without parochial interests. DECUSA's position lends itself to objectivity regarding the relative value of various requests from different A.R.E. ministries, and DECUSA is in the position to make recommendations regarding a given ministry's capability to use and administer U.S. assistance.

For the same reasons that DECUSA should control the annual budget preparation, it should monitor the feasibility study exercises to insure that study results reflect the interests of the entire country and not just one ministry. Also, budget scheduling and planning for funding necessitate that DECUSA review feasibility study results. In addition, large-scale assistance activities may exceed the purview of a single ministry, and a number of ministries may have legitimate interests in a single U.S. assistance activity. In such circumstances, DECUSA would monitor the activities of the personnel from multiple ministries, and coordinate feasibility study activities. Finally, DECUSA should be apprised of the results of any procurement activity which resulted from a feasibility study or any other decision-making exercise which caused U.S. assistance to be obtained.

A major function of the DECUSA mission is to insure that the U.S. assistance is being executed properly, and DECUSA should monitor the overall execution of projects, commodity delivery and use, technical assistance and training assistance.

#### B. Budget Preparation Requirements

As mentioned previously, DECUSA is the organization which should coordinate the annual budget preparation of U.S. assistance to Egypt. This effort is extensive, with numerous subtle but time consuming requirements. The total budget preparation will take place over a nine month duration, and requests for assistance candidates should be received at the beginning of the budget preparation process. On an annual basis, DECUSA will need to solicit future requests for aid from the 30 A.R.E. ministries and other organizations currently receiving U.S. assistance. In addition, all other ministries should be solicited for their requests.

Once a "wish list" has been established, the requests will need to be studied as a group for feasibility and redundancy. Future requirements for the 78 existing program/projects will be given special attention because of their high probability of acceptance. DECUSA will have to develop a revised list of U.S. assistance candidates and submit the list to the Deputy Prime Minister of MIIC and other upper A.R.E. echelons for prioritizing. General cost estimates should be associated with each request. Along with any list of assistance candidates, detailed reports of current assistance efforts, summarized for upper level management, would be submitted.

In addition to coordinating with the Deputy Prime Minister and other upper A.R.E. Government echelons, DECUSA will perform extensive reviews of assistance candidates with USAID personnel to insure that the requests conform to the overall U.S. political considerations. Consideration will also be given to the capability of a given ministry or organization to execute the assistance program being requested. Any budget request for U.S. assistance will require the approval of USAID before it is submitted to the U.S. Congress, and USAID stresses the emphasis of feasibility of execution.

The budget preparation will require multiple iterations each year, and DECUSA will carry on extensive liaison with the various ministries and USAID. Management studies and cost analyses will be required for all requests, and in certain cases, complete feasibility studies will be needed. For each iteration, cost breakdown charts will be prepared, along with benefits presented in a manner meaningful to upper echelon A.R.E. Government personnel.

#### C. Feasibility Study Monitoring

DECUSA's role in U.S. assistance-related feasibility studies will be that of an initiator and reviewer. DECUSA will need to develop overall guidelines for preparing feasibility studies for the purpose of uniform review of all studies. These guidelines will include general rules regarding defining objectives, selecting alternative approaches, life cycle costing assumptions, cost/benefit analysis, and report formatting. Included in the costing guidelines will be assumptions concerning personnel, land use, energy and transportation cost estimates as related to the Egyptian environment. Although these guidelines should not be overly restrictive, they should allow for some level of uniformity among different feasibility studies and assure that projected cost figures from feasibility study results can be used in budget preparations.

At the initiation of a feasibility study, DECUSA will insure that the study implementors are thoroughly informed of the agreed-upon objectives of the budget request. At the point in a feasibility study when alternative approaches have been formulated, DECUSA will review the alternatives selected for analysis and make recommendations regarding any other alternatives which might be considered. Reviewers will study the results, and determine whether the objectives of the budget request have been satisfied, and whether the study results are valid. Feasibility study reports will be saved, and cost figures will be used for future budget projections.

#### D. Procurement Monitoring

Regarding procurement activities, DECUSA should be apprised of all U.S. assistance procurements which take place. Some of the actual procurements are specifically performed by USAID and others are currently performed by various A.R.E. ministries. In the event that USAID found that a given procurement executed by one of the A.R.E. ministries was either improper or did not reflect the intent of the feasibility study, DECUSA should be informed and research the matter.

## E. Performance and Execution Monitoring

As has been stated earlier, different types of assistance activities require different performance and execution monitoring tasks. JWK has identified four types of assistance: (1) delivery of commodities, (2) project execution, (3) technical assistance, and (4) training. The monitoring of each type is discussed separately below.

### 1. Delivery of Commodities

DECUSA will be interested in monitoring five different aspects of commodity delivery: (1) it must know whether Egypt is actually receiving the commodities, and what commodities have been received, (2) it must know of any problems involved in receiving the commodities so that it can assist in resolving both specific and inherent, continuing problems, (3) it must keep track of the types of commodities received and costs involved for reporting purposes, (4) it must have an understanding of the commodity shipping/delivery operation for planning purposes, and (5) it must ensure that the delivered commodities are used within a reasonable timeframe.

### 2. Project Activity Execution

DECUSA will need to monitor project activity execution in order to be cognizant of schedule delays and problems which will cause future delays for individual program/projects. Setting up this monitoring activity will require extensive work, because current program/project monitoring is primarily concerned with the extent of funding expended. All 70 program/projects identified by USAID will have to be reviewed, and individual milestone dates will have to be estimated for each project activity where milestones have not been set. On a monthly basis, scheduled milestone dates will be checked, and ministry personnel would be contacted to learn whether the milestones have been met.

For those program/projects in which milestones are continually being missed, a program review will be conducted by DECUSA to assess the success of the program and problems which have been experienced. Budget planning and future estimates will be evaluated, and if necessary, courses of action could be taken after DECUSA, ministry, and USAID personnel have conferred and agreed upon actions.

Project activity execution monitoring will provide DECUSA, and therefore A.R.E., with a valuable planning tool for future programs. Assessments will be made regarding the extent of technical assistance and training required on long-term projects, the expected duration of certain types of project activities, and the methods for projecting costs for future program/projects. The A.R.E. Government will also have an objective understanding of the overall progress of the assistance project activities and an assurance that the project activity status information is valid.

### 3. Technical Assistance

Technical assistance monitoring will consist of keeping track of the extent of funds spent in these activities and receiving periodic assessments of the quality of the technical assistance provided. All 78 program/projects should be studied to determine what activities constitute technical assistance, what related costs will be collected, and what milestones, such as feasibility study delivery dates will be monitored. Technical assistance provided to program/projects with known problems should be assessed on a periodic basis.

### 4. Training

Two types of training can be monitored: (1) formal training classes in specific subjects carried on in Egypt, and (2) formal education being given to Egyptians in the U.S. Formal training classes carried on in Egypt are, in fact, a form of technical assistance and should be monitored as such. In the past fiscal year, 561 Egyptians (over 2,000 since 1975) were trained in the U.S. using U.S. assistance funding. Monitoring already takes place regarding the number of students being placed, the overall curricula taken, and the schools attended. Both USAID and DECUSA are currently involved in overseas training monitoring.

### F. Funding Monitoring

The monitoring of disbursed funds is important from two standpoints: (1) the funds should be used expeditiously, and (2) the funds should be available when needed. Major concerns have been raised continually about the "pipeline" problem in which funds are obligated in one year and are not fully spent until as long as five years later. Also, problems have been generated because necessary Egyptian funds, which had been agreed upon for certain projects, were not authorized when needed. Both of these problems could be solved or at least alleviated by proper planning and monitoring. In addition, although the opinion is universal that U.S. assistance funding should be monitored and DECUSA should be involved in the monitoring, a question arises concerning the level of disbursement at which the DECUSA monitoring should occur. Finally, discussions and plans for funds monitoring should address commodity funding and program/project funding differently because the funding problems of the two types of assistance are quite different and should not be monitored in the same fashion.

Upon reviewing the concerns of the pipeline problem in which funds have been obligated and not spent for a number of years, JWK has found that the problem is mainly with the funds obligated to program/projects and not with the CIP and PL-480 assistance. A part of the problem is inherent in the nature of project activity expenditures, which will extend over a number of years. Certain sequences of events or major milestones must be achieved before work, which will result in expenditures, can be even initiated. Therefore, a project activity might be proceeding on schedule, or even be ahead of schedule, yet the obligation/expenditure ratio can appear unfavorable. A partial solution would be to monitor projects from a milestone

standpoint, taking expenditures into consideration with respect to milestones. At initiation of a project activity, a spending plan should be devised with milestones which would be reviewed along with expenditures. Overall estimates of monthly spending would be devised, and future expenditures would be tracked against these estimates. Although such monitoring would not directly cause expenditures to be accelerated, it would serve to explain the reasons for the delay in expenditures. Also, the criticality of individual milestone completions would be emphasized, and this method would provide insight into the specific priorities of monitoring individual project activities.

Regarding commodity and PL-480 expenditure monitoring, detailed expenditure tracking is currently performed by the commercial Egyptian banks which disburse funds to American banks. When an agreement has been formulated by the U.S. and Egypt for assistance, the funding for the overall agreement (currently monitored with a specific agreement number) is segmented into allocations for individual ministries and commercial Egyptian banks, with a separate letter of commitment for each ministry using a single bank. When procurement contracts are awarded, a letter of credit will be issued by the Egyptian bank to a designated American bank, which will allow contractors to spend against the letter of credit. Many letters of credit may be issued against a single letter of commitment. Many of the expenditures for a letter of credit for shipping costs are not controlled by Egypt, because such costs are paid for differently, depending upon whether the ship is a U.S. or foreign carrier. DECUSA will track funds at the letter of credit level of funding. Two general milestones exist for cost expenditure of commodities against letters of credit for goods and shipping. They are: (1) when commodities have been loaded on the ship or other carrier, the expenditure is made for the goods; and (2) when the shipment has been unloaded and inventoried, the shipment expenditure is valid. Because many of the letters of credit can refer to huge cargos, multiple shipments may take place, and each shipment may constitute an expenditure milestone. With professional talent in the U.S. and Egyptian banks already tracking the detailed funding of letters of credit and letters of commitment, it does not appear that problems will arise in overspending obligated amounts. DECUSA could receive invoice copies from the banks for individual expenditures, which ministry personnel will have already checked for the validity of those expenditures. On a monthly basis, DECUSA could monitor the overall delivery of commodities, assess the rate of expenditure of each active letter of commitment, and check individual bills for applicability. On a periodic basis or when most of the funds of a letter of commitment have been spent, DECUSA would perform an inspection of the use of the commodities received from that letter of commitment and review all the invoices against the letters of credit associated with the letter of commitment. An inspection report will be drawn up containing detailed findings.

As mentioned, Egyptian funds for individual projects are allocated separately from American assistance funds, and monitoring must take place to insure that sufficient Egyptian funds have been allocated in the current fiscal year as agreed upon in a prior year. Also, because the U.S. will not pay for foreign carrier transportation, and the carrier's nationality will only be known at the time of procurement, sufficient Egyptian funding should be monitored to allow for contingencies in commodity shipping.

#### IV. INFORMATION MANAGEMENT AND REPORTING REQUIREMENTS

##### A. Overall Discussion

A conclusion that became quite apparent very early in this study is that DECUSA has an extensive requirement to produce reports and memoranda and to maintain a sizeable and ever-growing amount of information. Currently DECUSA receives approximately 150 memoranda per month from USAID alone. The DECUSA correspondence with the 30 or so A.R.E. ministries and other agencies receiving U.S. assistance is even larger. Because DECUSA has a limited staff, it is not providing the level and extent of monitoring called for by its mission. However, if DECUSA were performing a full-scale monitoring activity, the information management and reporting requirements would be much more than the DECUSA administrative staff could ever hope to perform.

Because DECUSA has a monitoring and liaison function, it is required to communicate with many organizations at different levels. That communication is in the form of both formatted reports and textual memoranda. Another aspect of DECUSA's reporting requirement is that both Arabic and English reporting is required, and much of the reporting function will be to synthesize data both in Arabic and English, and act as a translation vehicle between USAID and the various supported ministries. In the future, the need will grow to produce management information in graphic and chart form for briefings and reports to the Deputy Prime Minister and other upper echelon A.R.E. Government personnel.

The extent and depth of DECUSA's monitoring activities necessitates a variety of different reports. Reporting on commodity delivery does not require the same type of information as project status or training. Also, reporting status and funding information for the same types of activities differ, and reports to different levels of management will differ. Reports to upper echelon Government offices will also require the synthesis of different types of detailed data into a single report.

DECUSA ultimately will be required to maintain data and produce reports on four basic types of detailed activity information: (1) commodity delivery, (2) project status, (3) training activities, and (4) funding. The information will be used in its most detailed form for tracking the performance status and funding of specific activities. The detailed information will then be summarized and synthesized for management reporting. Both status and budget projection reports will be required for management purposes. Detailed activity reports, management reports, and budget projection reports will be discussed in Section B of this chapter.

The amount of data on U.S. assistance which DECUSA will be required to store for archival purposes is potentially huge. The amount of daily correspondence, and the number of status reports, feasibility and management studies, contracts, bills of lading, invoices, and other documents which

are received regarding the commodity deliveries and 70 program/projects is sizeable. All of that data must be stored for archival purposes, even though it will not be continually used on a daily basis. After a time, the information storage space requirements will be excessive unless a documentation reduction and retrieval capability becomes available to DECUSA. Information management requirements will be discussed in Section C of the chapter.

## B. Reporting Requirements

DECUSA has an obligation to report to multiple levels of management, and reports at different levels of summarization will be required. Detailed activity reports will provide the information from which the more summarized management reports will be developed. They will also provide a basis for budget preparation and forecasting.

### 1. Detailed Activity Reports

DECUSA will be required to maintain data and produce reports on four basic types of detailed activity information: (a) commodity delivery, (b) project status, (c) training activities, and (d) funding. These detailed types of information are discussed separately below.

#### a. Commodity Delivery Status

Currently USAID maintains an automated commodity shipping status system which keeps track of individual shipments of U.S. assistance commodities arriving in Egypt. In that system, information is maintained on the agreement number, letter of commitment number, letter of credit number, supplier, ship or other carrier, type of commodity, amount of commodity, scheduled and actual delivery dates, and costs. USAID uses the system to monitor commodity deliveries and to check on the condition of commodities at arrival into port.

The information contained in the USAID commodity monitoring system appears, at this writing, to include all the detailed information needed for commodity delivery monitoring. DECUSA receives reports from this system, and, at least in the foreseeable future, this information maintained by USAID will be used by DECUSA for commodity delivery reporting. In the future, when DECUSA becomes more involved in the direct activity of monitoring commodity deliveries, the USAID system might be modified to perform requirements specific to DECUSA as well as to USAID.

In the future operation, DECUSA should produce detailed commodity delivery status reports with tracking and funding at the letter of credit level. Commodity delivery dates will designate the loading of equipment on the carrier, and shipping delivery dates will be the final shipment unloading date. The report will be in sequence by agreement number, ministry, letter of commitment number, and letter of credit number. Each letter of commitment will start a new page, with the first page containing letter of commitment related information, and the second page containing information on associated letters of credit. Figure IV-1 depicts a representative commodity delivery status report.

AGREEMENT NO-XXXX

Ministry/Agency - xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx  
 Department - xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx  
 Project Officer - xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx  
 Tel. No. - xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

USAID Directorate - xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx  
 Project Officer - xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx  
 Tel. No. - xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

Local Bank - xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx  
 Bank Account No. - xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx  
 Bank Official - xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx  
 Tel. No. - xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

Letter of Commitment No. - xxxxxx  
 Amount of Commitment - xx,xxx,xxx  
 Description - xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx  
 xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx  
 xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

IV-1

Letter of Credit No.	U.S. Bank	Contractor	Commodity	Cos	Date Planned/Actual	Status
xxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxx	xx/xx/xx	xxxxxxxxxxxx
xxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxx	xx/xx/xx	
xxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxx	xx/xx/xx	xxxxxxxxxxxx
xxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxx	xx/xx/xx	

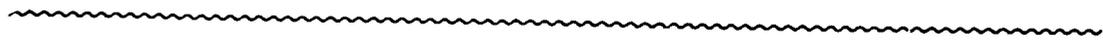


FIGURE IV-1. Commodity Delivery Status Report

b. Program/Project Status

Currently, no organization is monitoring program/project milestones in an automated fashion, and the project activity monitoring is done individually by USAID project officers, ministry people, and DECUSA personnel. Coordination is performed, and a funding report is produced monthly, and a project status report is produced quarterly by USAID. Ministries are obliged to prepare status reports on a quarterly basis, and official monitoring is accomplished through such reports. On an annual basis, a review of all program/projects are made, and a report is generated.

A procedure with the following features should be developed. All program/projects would be segmented into discrete tasks, at program/project initiation, with associated milestones or deliverable product dates, and updated monthly in a report. Each program/project status report would contain the status of all initiated tasks in regard to meeting deadline dates. Also included on the report would be the specific contractor responsible for each task, program/project description, ministry and AID personnel involved, and funding. For a given program/project, the report will contain at least two pages with the first page devoted to overall program/project information, and the second page devoted to the program/project's individual tasks or milestones. Figure IV-2 provides a representation of a program/project status report with two pages.

c. Training Activities in the U.S.

Training provided in the U.S. is currently monitored by both USAID and DECUSA. USAID is in the process of developing an automated training monitoring system which will keep track of Egyptians receiving U.S. assistance to study in the United States. The information maintained in the USAID system most probably could be used by DECUSA, at least initially. For DECUSA's purposes, detailed activity information will be required, including the names of individuals receiving the training, the time and duration of training, the type and level of training, the school involved, and the overall progress of the student. See Figure IV-3 for a schematic of the training report.

d. Funding Expense Reporting

Funding expense reporting will be performed separately for CIP, PL-480, program/projects, and local currency funding. Funding monitoring and reporting will be at the letter of credit level for CIP and PL-480 funds, and at the contract level for program/project funds. For commodity distribution funding, the detailed funding information will be included within the commodity delivery status reports adjacent to delivery status information. Program/project funding will be contained as a third page in each program/project status report. Reports will include obligated funds, planned expenditure estimates by time, and actual expenditures by time. Before the funding reports can be generated by DECUSA,



U.S. ASSISTANCE OVERSEAS TRAINING REPORT

Project No.	Student	Course Program	School	Training Duration		Costs	St
				From	To		
xxx	xxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxxxxxx	xx/xx	xx/xx	xx,xxx	xxxxxxxxxx
xxx	xxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxxxxxx	xx/xx	xx/xx	xx,xxx	xxxxxxxxxx
xxx	xxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxxxxxx	xx/xx	xx/xx	xx,xxx	xxxxxxxxxx
xxx	xxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxxxxxx	xx/xx	xx/xx	xx,xxx	xxxxxxxxxx
xxx	xxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxxxxxx	xx/xx	xx/xx	xx,xxx	xxxxxxxxxx
xxx	xxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxx	xxxxxxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxxxxxx xxxxxxxxxxxxxxxxxxxxxxxx	xx/xx	xx/xx	xx,xxx	xxxxxxxxxx

FIGURE IV-3. Training Report

projected funding estimates will need to be developed for all assistance activities. Information regarding the type of assistance received for the funds being obligated will be included in both the information base and the reports. Expense estimates will be projected and expenditures will be reported on a monthly basis. See Figure IV-4 for a representation of the program/project funding page.

## 2. Management Reporting

DECUSA will have a continuing requirement to produce management reports which will contain subsets of detailed data, summarizations of funding in various sequences, detailed data collected to portray total program/project information, and graphic charts of funding and milestone information. Reports will be produced with obligated and expended funding at the fund source and agreement number level, or segmented by ministry. Program/project reports will be generated with project description information, task status, U.S. training and expenditure history included on the same or continuing pages. Exception reports will need to be produced selecting those program/projects with milestone slippages for management to review. Graphic reports in the formats of "bar graphs" or "pie charts" will be required to represent pictorially the percentage of obligated funds by type of commodity, by type of program/project (i.e., irrigation, infrastructure, etc.), by ministry, and by fund source. Most of the management reports will be in Arabic; however, certain management reports will be sent to USAID, and thus, English reports will also be needed.

## 3. Budget Reporting

The annual budget preparation exercise will be an interactive process, and budget projections of U.S. assistance will be developed for numerous options by DECUSA before a final budget will be decided upon. Because many of the U.S. assistance activities will be ongoing over several years, the preparation of budget reports will consist of augmenting existing program/project and CIP activities with new assistance concepts.

An approach to preparing the annual U.S. assistance budget reports, which would be assisted extensively by an automated capability, would be to prepare projected budget reports first in the same level of specificity as existing detailed activity and funding reports, and produce management reports with the future budget request data. The history of the current activities would be used to forecast what will take place with similar candidate projects. The budget forecast reports would depict levels of funding in years following by ministry, type of project activity, extent and percent of types of commodity. Once the initial set of budget forecast reports had been made for a certain set of requested assistance activities, the methodology could be used to project minor variations to the initial set of activities.



### C. Information Storage Requirements

If DECUSA is to perform the complete U.S. assistance monitoring function and act as a direct liaison with USAID for all A.R.E. ministries and other organizations which use U.S. assistance, it will ultimately need to maintain files on all correspondence, with each ministry and with USAID. It will also maintain files on all commodity import program agreements, all program/projects, and the PL-480 program. In such files will be: feasibility study reports, project papers, management study reports, status reports, letters of commitment, letters of credit, contracts, invoices, bills of lading, and other applicable memoranda.

The extent of information is immense, even if only one copy of each item is stored. As in most office environments, multiple copies of articles are stored because the same information will be reviewed for different reasons. As a result, the DECUSA requirement for file space for the U.S. assistance related information will become extensive over time. Also, access in and out of files will become unwieldy with large amounts of data being used simultaneously by numerous people.

With the projections for future file storage, and the future requirements for many people to have access to that information on a continuing basis, an archival storage reduction capability will be required in the future. Multiple copies of contracts, invoices, ministry correspondence by date sequence, and other identifiable types of documents would be reduced on microfiche or other archival storage media, and used as needed by DECUSA personnel. People who need access to certain archival files on a continuing basis would have their own sets of microfiche of individual archived files.

## V. PERSONNEL WORKLOAD CONSIDERATIONS

### A. Overall Discussion

JWK does not have sufficient information to discuss any specific personnel requirements in this document and plans to leave the subject to later documents describing a proposed long-term DECUSA operating concept and an implementation plan. This report addresses DECUSA's overall functional requirements, and a variety of organizational structures, using varying combinations of personnel at different levels and combinations of automated equipment and personnel, could be used to meet those requirements. In addition, personnel requirements can change as a function of time, and the personnel structure needed to perform DECUSA functions today will change in the event that DECUSA takes on new monitoring activities. Accordingly, it would be presumptuous to discuss specific numbers of personnel needed to satisfy DECUSA's mission.

However, at this writing, JWK does have sufficient information to discuss certain known DECUSA personnel functions and make overall statements regarding the adequacy of the current level of DECUSA personnel. First, DECUSA currently does not have sufficient personnel to perform the U.S. assistance monitoring adequately. In comparison to USAID which has in the range of 250 personnel, DECUSA has 30 employees. Although the specific functions of these two organizations are not the same, the wide difference in number of personnel between these two monitoring organizations indicates to some extent the insufficiency of the current DECUSA personnel level. Second, DECUSA lacks specific types of expertise within its pool of professional monitor personnel, both in specific disciplines and skill levels to monitor high-technology projects adequately. Third, because the number of supervisory and administrative personnel in DECUSA will depend to some extent on the number of professional monitor personnel, an increase in professional monitors will cause increases in the numbers of both supervisors and administrative types. In order to demonstrate the need for additional professional monitor personnel, JWK has included descriptions of known monitoring work functions in later paragraphs in this section.

### B. Professional Monitor Skill Level Requirements

An important facet of the future professional workload is the specific skill level required to perform individual tasks. Most of the professional monitoring workload can be performed by a person with a general college degree and professional intelligence, language facilities in both Arabic and English, an ability to write cogent memoranda, and a general understanding of accounting and business principles. However, DECUSA will have to have experts in the fields of budget, health, education, transportation, energy engineering, finance and agriculture. The workload can be segmented in a manner that allows individual experts to be assigned to several projects in a manner which uses their skills efficiently, however the presence of at least one expert in each field is necessary for the DECUSA personnel organization, since at any given time projects in each of these fields will be underway.

## C. Monitor Personnel Work Functions

### 1. Budget Preparation

Budget preparation is performed on a yearly basis and the workload associated with this function will be unbalanced throughout the year. The work for a given year's budget preparation might be performed one to two years prior to the beginning of the actual year, and will entail a number of steps to form a budget plan. First, all ministries and other agencies will be solicited for assistance candidates. Depending upon the number and type of responses, the budget preparation work effort will vary. Each request should be reviewed for applicability, meetings would be carried on with ministry personnel regarding the requests, and initial determinations will need to be made. When a given request has a high degree of merit, DECUSA will take steps with USAID to have a feasibility study performed.

The next step will be to review all existing assistance activities from the standpoint of future needs, and develop future budget additions. All program/projects and commodity agreements will be reviewed, and the responsible ministry personnel contacted. Existing activities will be studied with regard to the rate of spending, and actual expenditures will be compared against the activity budget. For each of the 78 program/projects, the 16 CIP agreements, and the PL-480 activities, a number of meetings will be held. Both USAID and the ministry personnel will be involved. Spending analysis reports will be developed, and initial recommendations will be formulated. These reports will be prepared by both the people who are monitoring the individual activities and budget financial analysts. Including a report for each program/project and CIP agreement, and two for PL-480, a total of 94 expenditure reports will be developed and coordinated with the ministries.

The third step is the initial total budget formulation for a fiscal year. All requests which have been deemed feasible and additions to existing activities will be collected to develop a total program. Steps will be taken in the initial budget plan process to have consistent costing assumptions used for developing figures for activities from the different ministries. Requests will be scrutinized to determine whether proper technical assistance and training costs are included in all new projects. DECUSA budget people will work with ministry personnel to insure that all projected costs are included and the costs are relatively accurate for a given request in relation to all other requests. USAID and the Deputy Prime Minister will be presented with the initial package along with charts and tabular reports depicting the various funding breakdowns by ministry, functional areas, commodities, etc. Guidance will be received from both USAID and the Deputy Prime Minister regarding adjustments.

DECUSA will act in a liaison function, returning to the ministries to seek revisions to earlier requests. Numerous meetings will be held, and compromises and adjustments will be made to earlier versions of the budget. Each time a new budget plan is formulated, new reports, charts and tables will need to be developed along with presentations to the Deputy Prime

Minster and USAID. The budget planning activity will be a continuing effort throughout the year for certain personnel while others will be used intensively for short periods of time during actual budget plan formulation.

## 2. Feasibility Study Monitoring

The results of feasibility studies will affect future budget plans, and DECUSA will take interest in the progress and results for all feasibility studies on potential U.S. assistance projects. At the initiation of any feasibility study, DECUSA will review the objectives of the feasibility study and determine whether all ministries which should be involved, are involved. Also, the contractor or other people performing the study will be briefed on what guidelines DECUSA wishes them to use. During a period in the study in which alternative approaches are derived, DECUSA personnel will participate to determine whether any valid alternatives had been inadvertently missed for evaluation.

After a feasibility study has been completed, DECUSA will review the resulting report in depth to assure that the study was performed properly. In the event that the feasibility study results are affirmative, DECUSA will take steps to ensure that the prospective project will be in the next year's budget. All feasibility studies will be stored and reviewed for applicability at later periods where related assistance requests are made by the ministries.

## 3. Commodity Distribution Monitoring

Four different functions exist in monitoring commodity distribution assistance: (1) initiating individual commodity package letters of commitment from agreements, (2) monitoring the progress of individual letters of commitment packages, (3) monitoring individual shipments, and (4) assessing the actual commodity distribution process. Some of these functions will be performed by the same personnel for a given agreement number. Other functions will be performed by a group of people for all agreements.

When an agreement is signed between the U.S. and Egypt for the U.S. to provide commodities, the agreement will be for a single large sum. DECUSA personnel will segment the agreement into specific letters of commitment, with each letter designating a specific A.R.E. ministry and a specific Egyptian Commercial bank. Information will be maintained regarding the letters of commitment.

The ministry in turn will use the letter of commitment to initiate procurements for different commodities. USAID will be involved in the review of all procurements, and will insure that goods are procured from American firms and that a certain portion is shipped by American carriers. When a procurement is made, one or more letters of credit are issued to American banks from the Egyptian bank holding the letter of commitment. Most often, separate letters of credit will be issued for both the commodities purchased and the shipping charges. A letter of commitment will generate many letters of credit.

The above events will affect DECUSA, which will maintain information regarding which letters of credit are associated with a given letter of commitment; keep track of the results of procurement; and maintain information for each letter of credit including the amount of each type of commodity purchased, vendors, dates, American banks, letter of credit numbers, and shippers. Also, DECUSA will keep track of the completion dates of procurements and when shipment is to arrive in Egypt.

USAID receives the shipment dates and bills of lading for individual shipment dates, and insures that shipment takes place and that the goods are in acceptable condition. Seven USAID people at the Port of Alexandria inspect such arriving goods. Certain known problems are related to delays due to customs officials trying to levy customs on U.S. assistance goods. Information maintained by USAID on shipping is given to DECUSA for monitoring purposes.

The fourth facet of commodity distribution monitoring is checking on the actual use of commodities. USAID performs such checks because agreements stipulate that the U.S. can be reimbursed for those commodities not used after a specified period of time following delivery. DECUSA should also be involved in checking assistance usage.

#### 4. Program/Project Monitoring

After a feasibility study has been completed and approved, and funding has been included in an approval by Congress, USAID will prepare a Project Identification Document (PID) and a project paper before a project grant agreement can be drawn up and signed between the requesting ministry. DECUSA personnel should be involved in the development of the PID and the review of the project paper.

Once the project agreement has been signed, a DECUSA program/project monitor should be assigned, and the program/project should be defined from three different standpoints: (1) type of activity (i.e., technical assistance, commodity, development, and training), (2) milestones to be met, and (3) projected schedule of funding expenditure by monitoring. Milestones and funding schedules should be agreed upon by USAID, DECUSA and the appropriate ministry personnel, and DECUSA should track those schedule dates on a monthly basis.

Whenever a date is missed or the funding is not being spent as planned, DECUSA will request explanations from the ministry and record replies. Whenever adjustments are to be made to schedules, DECUSA will meet with the ministry and USAID to prepare new schedules. Reasons for slippage will be documented and the rationale for the new schedule would be documented.

On a periodic basis, DECUSA should conduct a detailed program/project inspection on each active program/project. The program/project inspection will be conducted by someone other than the DECUSA project officer, with the project officer assisting as needed. Those program/projects with a history of problems would be inspected on a higher priority than those program/projects on schedule.

## 5. Training

DECUSA monitors all overseas training. Requests are screened, and arrangements will be reviewed to insure that the student receives meaningful education, has a sufficient command of English, and has the necessary prerequisites. Course grades could be checked upon completion of courses.

## 6. Funding

DECUSA personnel will assess existing obligated funding and expenditures. Reports will be developed on rate of expenditure for comparable projects, amounts for different types of expenditures, lead time for project initiation, procurement and shipping durations, and other funding analysis activities. A funding expert also will communicate with the commercial Egyptian banks on a routine basis, receiving expenditure information on individual letters of credit. The same individual will communicate with these banks to establish letters of commitment.