

ALTERNATIVE DESIGNS  
FOR THE  
INVESTMENT INFORMATION CENTER

Report to

THE INVESTMENT AND FREE ZONES AUTHORITY  
GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT

C-84087

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## PREFACE

The Arab Republic of Egypt, acting through the General Authority for Investment and Free Zones (the Investment Authority), in October 1979 engaged Arthur D. Little International, Inc., to conduct a study in which alternative designs would be prepared for an Investment Information Center which would be a part of the Investment Authority. The mission of the Investment Information Center would be to strengthen the Authority in performing one of its principal functions, namely stimulating and guiding foreign and domestic private investment in Egypt.

The terms of reference for the Arthur D. Little study<sup>1</sup> call for the following tasks to be performed:

- Describe and review Investment Authority policies for promotion of foreign and domestic investment, paying close attention to the scope of its own role and relationships to other Egyptian institutions;
- Describe and review promotional strategies, recommending modifications where desirable;
- Describe and review information services, recommending an expanded information program;
- Describe and review the legal basis of the Investment Authority to pinpoint necessary modifications;
- Recommend alternative organizational structures for the Investment Information Center, with functional statements for each component unit;
- Recommend appropriate training for staff, in Egypt and abroad;
- Recommend appropriate location in Cairo for the Center's headquarters, and for subsidiary offices abroad, including suitable design of materials, office space and equipment needed;
- Prepare a preliminary, time-phased plan for the operation of the Investment Information Center, for each design alternative, covering a five-year period;
- Prepare preliminary cost estimates for each alternative design; and

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<sup>1</sup> Scope of Work and Instructions for Preparation and Submission of Technical Proposals, AID Project No. 263-0092 Investment Center, attached to Letter of Invitation by Dr. Gamal El Nazer, Minister of State for Economic Cooperation, January 25, 1979.

- Prepare a Priority Information Plan.

In March 1980 we delivered to the Authority the Priority Information Plan in final form. In this report we present the outcomes of all of the other elements of the study program summarized above, focused on two alternative designs for an Investment Information Center suitable for the Authority. We believe that the Priority Information Plan and this report, taken together, provide to the Authority the basis for a series of realistic decisions on organization and program which can substantially increase the pace and success of Egypt's drive to develop a dynamic private sector.

Arthur D. Little was assisted in this work by the American architectural firm of DACP Associates, who were responsible for analyzing and preparing plans for spatial requirements (Appendix VIII), and the Egyptian consulting firm of Kamel Brothers, who provided insights and background regarding local investment in Egypt.

## I. INTRODUCTION AND SUMMARY

### A. INTRODUCTION

The encouragement of foreign and domestic private investment is intended to be one of the long-term cornerstones of Egyptian industrial policy, as expressed in Law 43 (1974) and Law 32 (1977). Under these laws, principal responsibility for stimulating and guiding such investment has been assigned to the investment and Free Zones Authority which by the end of 1979 had approved over a thousand projects. Of these projects, slightly less than half have been implemented.

Growing interest and confidence in Egypt's economy have generated increasing demands on the Authority as the central agency responsible for promoting and regulating investment in the country, both foreign and domestic. To be able to deal more effectively with these increasing demands, the Authority is considering the establishment of an Investment Information Center (IIC) within its organization. The IIC would focus on generating and disseminating important investment-related information for use by the Authority, other Egyptian institutions engaged in the investment development process, and potential investors. It is a widely accepted fact that these activities are greatly in need of strengthening at this time.

The principal objective of this study, therefore, has been to develop for the Authority's consideration a set of complete and integrated program design alternatives for an IIC. The alternative designs represent reasonable options and implementation plans for the principal components of the Center. After reviewing the options and their implications the Authority, in consultation with USAID and the consultants, will decide on a strategy for proceeding. In order to determine what alternative designs would be appropriate for the IIC we have carefully reviewed the Authority's current operations and compared these to both its legal mandate (see Appendix I) and the approach to investment development taken by other countries (see Appendix II).

In our first report, presenting a Priority Information Plan (PIP)<sup>1</sup> for consideration by the Authority, we established a framework for checking which functions, activities or information products and services comprising the investment development process were in need of strengthening. This checklist, drawn from our survey of other investment authorities, enabled us to identify those information-generating activities in Egypt's Investment Authority that require immediate attention<sup>2</sup>. It also provided us with a means of identifying the information inputs required to produce these outputs and the steps that should be taken to produce the required information<sup>3</sup>.

Whereas the PIP was addressed to identifying which information needs require immediate attention, the focus of this report is more comprehensive. Furthermore, while information generation and dissemination is to be the primary concern of the TIC, it will also provide support services which will make the entire Authority more effective in stimulating and guiding private investment. Our review of the Authority's operations and structure, therefore, sought to identify which, among all of its activities in the investment development process (as identified in the PIP report), most need strengthening. Having identified these activities, we have separated those concerned primarily with regulatory and policy-

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<sup>1</sup> A Priority Information Plan for the Investment Authority, Arthur D. Little International, Inc., March 1980.

<sup>2</sup> The information outputs found to be of "high priority" importance in stimulating and implementing private investment and requiring "major" improvement or attention within the Authority were: lists of priority investment projects; lists of potential investors and joint-venture partners; reports on current investment conditions and resources, investment opportunities and outlook for selected sectors; published materials and responses to inquiries on approvals required for making an investment and procedural steps to be followed; names of potential joint-venture partners; publications, including brochures, booklets, factsheets, etc.; media advertising copy, including advertisements, articles, special supplements, etc.; and seminar and briefing materials, including brochures, briefing papers, audio/visual presentations, etc.

<sup>3</sup> See Chapters IV and V, PIP.

making functions from the rest, making the fundamental assumption that information centers are not appropriately engaged in the former. Although we do have comments and recommendations to make which touch on the Authority's regulatory and policy-making activities (see Recommendations, below, and Chapter III), our primary attention in this report is on the information-related functions of the Authority.

## B. THE NATURE AND FUNCTIONS OF AN INVESTMENT INFORMATION CENTER

An Investment Information Center (IIC) may be thought of as a unit within the Investment Authority which would provide information-related services both to the rest of the Authority (and other government institutions) and to would-be investors. In performing this supportive role the IIC can help strengthen the effectiveness of the Authority in carrying out its mission to stimulate and guide private sector investment. Specifically, if properly organized, funded and staffed, the IIC can help:

- Increase domestic and international investor interest;
- Raise the ratio of acceptable to unacceptable applications;
- Broaden the basis on which applications are reviewed;
- Shorten the average period of time elapsed between project approval and operation;
- Improve investor attitudes about doing business in Egypt;
- Facilitate greater coordination of data, policies, plans and activities among governmental agencies;
- Expand the planning and policy-related functions of the Authority; and
- Enhance the efficiency of the Authority's operations.

These and other contributions an IIC can make translate into total national benefits that far exceed the costs of establishing an IIC. Furthermore, it should be noted that neglecting to seek these benefits may, in fact, result in a reduction of the Authority's present effectiveness as the world within which it functions rapidly grows more complex.

The specific activities to be assigned to the IIC may vary as may the way in which it is organized. One fundamental principle, however, should be applied to any alternative to be considered. That is that the IIC is to be kept free of regulatory and policy-related functions. It may, on request, provide information and data that are used by the groups within the Authority that perform such functions, but it should not itself be responsible for performing them. An acceptable alternative design for the IIC, therefore, may assign to it a part or the whole of any of the

other activities inherent in the investment development process. Thus (using the terminology developed in the PIP report) the IIC may appropriately be charged with any or all of the following activities:

- Compiling and making available information on policy decisions;
- Maintaining an information base;
- Packaging information;
- Disseminating information;
- Responding to inquiries;
- Persuading prospective investors;
- Guiding investors in procedures;
- Acting as interagency liaison;
- Acting as troubleshooter,
- Servicing special needs of investors.

In the design for the IIC we have allocated the 10 activities referred to above as appropriate for an IIC among three groups: 1) those appropriate for an Information Services Department, 2) those appropriate for a Promotion Department, and 3) those appropriate for an Investor Services Department. The detailed alternative designs for the IIC and for the departments themselves are prescribed in Chapter II. Some activities have also been allocated to Egyptian Regional Offices and to Foreign Offices, also described in Chapter II.

C. SUMMARY OF THE IIC DESIGN ALTERNATIVES

In Chapter II we present two alternative designs for the Investment Information Center for consideration by the Authority. These alternatives vary principally in terms of the breadth and number of the activities included and, consequently, in their scale and cost.

The simplest--the Basic Design alternative--places only Information Services in the IIC. The Comprehensive Design alternative includes assignment to the IIC not only of Information Services but also Promotion and Investor Services in their entirety. Any number of alternatives consisting of subsets of these assignments could be considered but it is our opinion that these would be only temporary stages in an evolutionary process. If the Authority elects to go beyond the Basic Design, therefore, it should aim to ultimately develop the Comprehensive Design.

The Basic Design would be staffed by 45 people at maturity--about four years from start-up; the Comprehensive Design would require 121 people by that time. The capital cost of the Basic Design is estimated at \$840,000; that of the Comprehensive Design at \$1,800,000. The Basic Design would have an annual operating budget of \$2,300,000 when it reaches maturity; the Comprehensive Design would require \$5,100,000 annually at that time.

The alternative designs differ from each other in several other aspects:

• Initiative-Taking Orientation

A major justification for creating the IIC rather than merely expanding and modifying existing operations in the present organization is to encourage greater initiative in the way these activities are undertaken. Thus, in the Basic Design alternative Information Services is organized so as to permit activities in that department to be performed with greater initiative than at present. In the Comprehensive Design alternative new initiative-taking activities are created in promotion and facilitation. The overall result of adopting either alternative will be that the entire Authority will become a more initiative-taking organization than it is at present although this orientation would be enhanced if the Comprehensive Design alternative is selected.

- Autonomy

Although we recommend that promotion and facilitation activities be strengthened under either design alternative, the Comprehensive Design for the IIC grants greater autonomy to the management of those functions. Under the comprehensive scheme, promotion and facilitation activities are elevated in the organization and include some planning and strategy formulating tasks.

- Geographic Influence

The Basic Design does not include an explicit overseas program; the Comprehensive Design does. This is not to say that under the Basic Design alternative we do not advocate a program of enhancing the Authority's overseas influence. In the Comprehensive Design, however, we have assigned specific responsibilities to the IIC to establish overseas offices and pursue active programs abroad to stimulate and seek out foreign investors.

- Staffing, Budget and Space

The Basic Design is built around an objective of keeping staffing, space and cost requirements at a minimum level whereas the Comprehensive Design has only a constraint of reasonableness concerning this criterion. While we have not examined the staffing, space and budgeting implications for the rest of the Authority under the two alternatives, it can safely be assumed that the full implications of the Basic Design would be considerably less than those of the Comprehensive Design.

- Timing

Naturally, the Comprehensive Design of the IIC would require a greater effort to develop than would the Basic Design. Hiring and training staff, finding space, developing programs, establishing offices, etc., would therefore tend to take longer to be fully operational (i.e., mature) under the broader concept.

The major differences between the Basic Design and the Comprehensive Design are summarized in Table I-1.

TABLE I-1

SUMMARY OF MAJOR DIFFERENCES BETWEEN  
DESIGN ALTERNATIVES FOR AN IIC

|                      | I<br><u>Basic Design</u>  | II<br><u>Comprehensive Design</u>   |
|----------------------|---|---|
| RESPONSIBILITIES     | Information Services  | Information Services<br>Promotion<br>Facilitation   |
| ORIENTATION          | Moderate increase<br>in initiative  | Substantial increase<br>in initiative   |
| AUTONOMY             | Greater autonomy in<br>information services   | Greater autonomy in<br>information services,<br>promotion and facilitation                  |
| GEOGRAPHIC INFLUENCE | Limited   | Foreign Offices   |
| STAFFING             | 45 people by Year 4   | 121 people by Year 4  |
| SPACE                | 800 square meters by<br>Year 4 (Cairo only)   | 2,000 square meters by<br>Year 4 (Cairo only)   |
| BUDGET               | \$850,000 total capital<br>cost<br><br>\$2,300,000 annual oper-<br>ating budget by Year 4 | \$1,900,000 total capital<br>cost<br><br>\$5,100,000 annual oper-<br>ating budget by Year 4 |

#### D. SUMMARY RECOMMENDATIONS

We strongly recommend that the Authority proceed with the establishment of an Investment Information Center of high quality for the purpose of enhancing the effectiveness of its entire organization.

After reviewing the two designs presented in this report the Authority should select that alternative which it believes is within its abilities--budgetary, administrative, physical--and proceed with the relevant development plan for that design as described in Chapter II.

If the Basic Design is selected, attention should also be directed to developing the critical capabilities, described in Appendices IV and V, in Promotion and Facilitation, both of which would remain within the structure of the Authority as at present. If the Comprehensive Design is selected and implemented, these capabilities will automatically be provided.

In addition to this fundamental recommendation, we wish to point to a number of important actions we believe deserve special attention from the Authority. These are spelled out at the end of Chapter II but may be briefly summarized as follows:

- Improve the information base of the Authority--outputs as well as inputs;
- Adopt a stronger orientation toward seeking out and attracting foreign investment to Egypt;
- Strengthen operations in terms of effort, resources and quality, in the promotion area;
- Tailor the investment development program to the needs of the investor and develop a complete array of investor services;
- Strengthen the program planning activities of the Authority; and
- Seek greater coordination among the various agencies responsible for some aspect of the investment development process.

The balance of this report presents the detail supporting these summary recommendations. It consists of Chapter II, which spells out the two alternative designs; Chapter III, which presents our overall findings and recommendations on the many aspects of the Authority's structure and operations which the terms of reference have required us to study; and ten Appendices.

Appendix I presents our description and review of the Authority's present operations in the investment development process; Appendix II summarizes our study of comparable foreign investment development agencies--useful as examples in thinking about the Authority; the next seven Appendices detail the functioning of the IIC, in the context of the Authority as a whole, as it would operate after a decision by the Authority to proceed with either of the alternative designs; the last Appendix presents time-phased development plans for proceeding with bringing either alternative design into operation.

## II. ALTERNATIVE DESIGNS

### A. INTRODUCTION

In the present chapter we describe two alternative designs for the Investment Information Center (IIC) of the Investment Authority. Each alternative is presented in terms of: principal activities<sup>1</sup> for which it would be responsible; its organization; staffing requirements; physical facility requirements; budget; next steps; and implications it raises for the rest of the Authority. Elaboration on these subjects may be found in Appendices III-X.

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<sup>1</sup>The definitions used to describe activities in the alternative designs are more detailed than (although consistent with) the definitions used in the PIP report to describe the investment development process. Therefore, the 30-40 activities listed in the discussion that follows correspond to the 10 activities, more broadly defined, that were identified in Chapter I as those with which an Investment Center may typically be charged.

## B. BASIC DESIGN

In the Basic Design, the IIC is an information center within the Authority which collects, stores and disseminates information--mostly on request. In this capacity the IIC could be used by the Authority to assist other administrative units in performing regulatory, research and promotion functions; the IIC could also be called on for information by prospective investors and any interested persons or institutions involved with the development of Egypt.

The IIC's responsibilities would include:

- Collection, storage and dissemination of information pertaining to investment; and
- Response to and channeling of inquiries pertaining to investment.

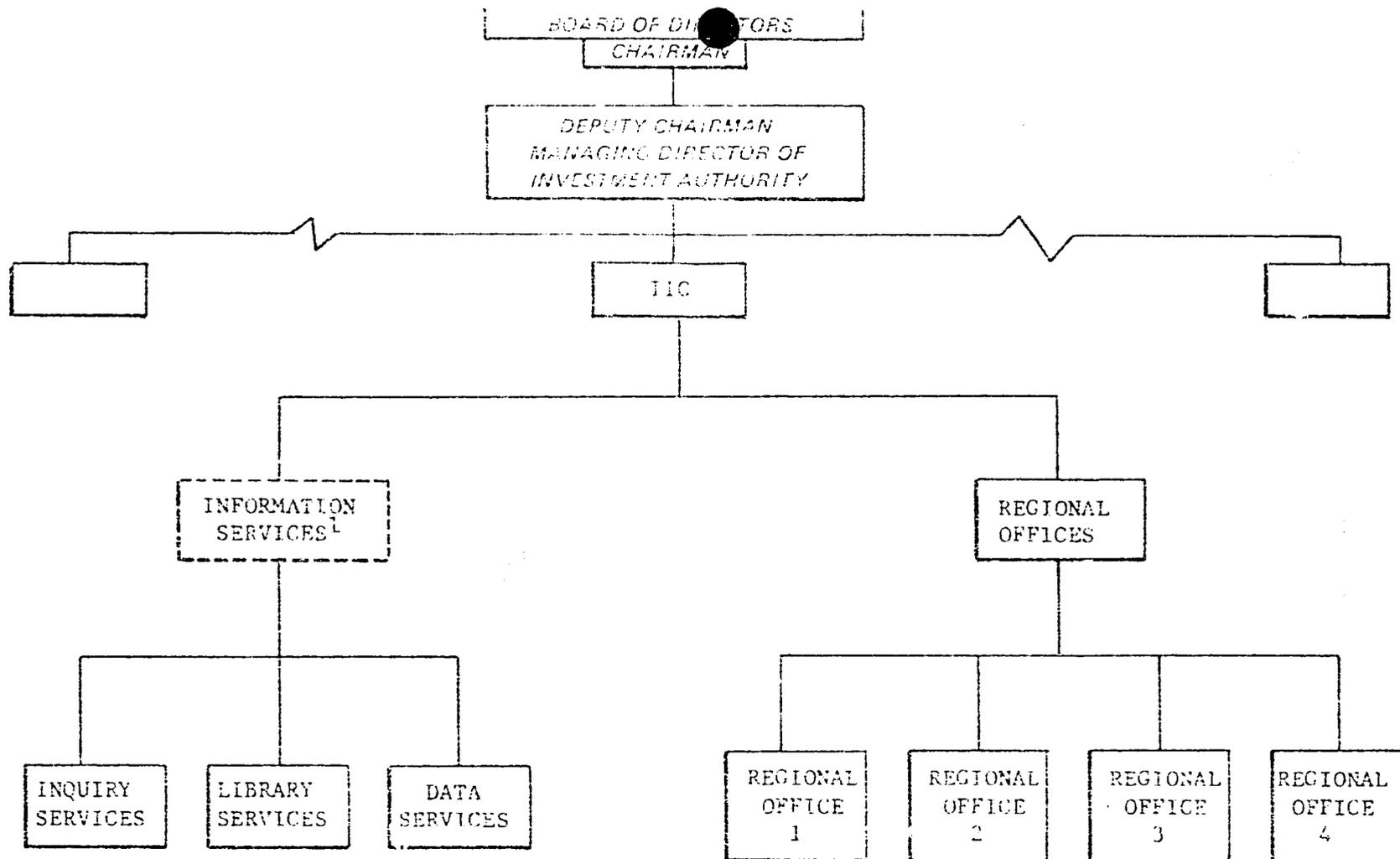
By providing these services the IIC would indirectly promote investment in Egypt and facilitate the investment process: it would not be directly responsible for these functions.

Under this design alternative the IIC would consist of two departments -- Information Services and Regional Offices. The former is comprised of three units--Inquiry Services, Library Services, and Data Services. The latter includes four Regional Offices in key locations outside Cairo. These offices would be the main contact between governorates and the Authority with respect to information services. Possible locations would be Alexandria, Port Said, Suez City, and an Upper Egypt City such as Luxor or Aswan. The organization of the IIC under this alternative is shown in Figure II-1.

The Basic Design IIC would encompass the efforts of 31 people in Cairo and 12 people in the Regional Offices by the third year of operation. It would require an initial investment of about LE 0.5 million (during the first 18 months) and an annual operating cost of about LE 1.6 million (when fully operational by the fifth year from inception).

### 1. Principal Activities

The principal activities of the Basic Design IIC are described in Appendix III. They may be summarized briefly as follows:



<sup>1</sup> Information Services are managed by the IIC Director. The Inquiry, Library, and Data Services units report directly to the IIC Director.

FIGURE 11-1: BASIC DESIGN - IIC ORGANIZATION

11-3

a. Information Services

(1) Inquiry Services

This unit responds to general inquiries about investment matters in Egypt and channels inquiries to appropriate authorities in the Government if required. Its principal activities include:

- Collect and store published investment information such as brochures, leaflets, booklets, studies, application forms, instruction and investment guides;
- Meet with potential investors or their representatives and provide them with appropriate forms, brochures and other materials;
- Communicate, in writing, with potential investors or their representatives and provide them with appropriate forms, brochures, and other materials;
- Respond, to the extent possible, to specific inquiries and channel inquiries to other units of the IIC, the Authority or other government agencies as appropriate;
- Provide a reception and first contact service for the IIC; and
- Provide feedback to the IIC and the Authority on the nature of inquiries, information desired, publications required, complaints registered and improvements needed in responding to inquiries.

Questions to which Inquiry Services would be asked to respond could be as various as:

- Which ministries have jurisdiction over particular investments?
- How are investment application forms processed?
- What components of a particular product are manufactured in Egypt?
- Which foreign firms have invested in Egypt and in what ventures?
- What are company registration procedures?
- What permits are required to implement a certain project?
- What are the tax regulations and tax administration?
- What markets exist in Egypt for certain products?
- What is government policy for investing in certain economic sectors?
- What are the labor laws governing foreign workers?
- What kinds of investment incentives are available in Egypt?
- Who are potential joint venture partners or consultants an interested investor may contact?

## (2) Library Services

This unit serves as a resource center for investment information documents that should be of interest to the Authority, prospective investors and other institutions concerned with investment in Egypt. Its principal activities include:

- Collect, store and maintain investment-related documents--books, publications, reference materials, statistical documents, and legal documents;
- Index sources;
- Conduct literature searches;
- Assist users in searching for information;
- Circulate pertinent new information to frequent users;
- Provide a clipping service for frequent users;
- On demand, perform short duration information search and summarization tasks; and
- Educate Authority staff on the efficient use of the library's information sources.

## (3) Data Services

In addition to maintaining a comprehensive data base, this unit may provide short-term research services involving economic or technical data. It is also responsible for enhancing the value of available raw data by converting it to more useful processed forms. Its principal activities include:

- Tabulate economic and technical data, such as marketing and business intelligence information, to aid investment decision-making;
- Produce short reports on investment-related subjects which summarize or amplify existing detailed information--such as existing sector studies; lists of components produced in Egypt; value added by various sectors; indices for energy, labor and other factors of production in Egypt and other countries; and other reports useful to interpreting investment policy, regulating investments and making investments;
- Respond to specific requests initiated by the Authority, prospective investors or other government institutions, for data which can be reasonably extracted from existing files and data banks.

### b. Regional Offices

The principal activities of the IIC Regional Offices include:

- Coordinate investment activity with governorates;
- Provide governorates access to information available in Cairo;
- Provide governorates and prospective investors outside Cairo with information services;
- Develop region-specific information for the IIC; and
- Offer investment education to the regions.

## 2. Staffing

As shown in Table II-1, the IIC staff under the Basic Design would consist of 34 people in the first year of operation. Of this number 22 people would be located in Cairo and 12 in the regions. By the fifth year of operation the IIC staff would grow to 45 people, with 33 of the staff in Cairo and 12 in the regions. A more detailed breakdown of the staffing requirements may be found in Appendix VI. It should be noted that some of the positions created in this design could be filled by the present Authority staff, especially from the Investment and Research, Evaluation and Promotion Divisions, and thereby not necessitate adding the total numbers of personnel shown in Table II-1 to the Authority's staff.

The proposed staff of the IIC has been classified by six levels depending on seniority, experience, job responsibilities and salary. In general, Levels 1 and 2 personnel would have administrative and leadership responsibility for the IIC and its departments. Level 3 personnel would have operational supervisory responsibility. They would also act as key personnel in unit operations. Levels 4 and 5 personnel would comprise the senior and junior staff respectively and would perform the activities expected of the various units. Level 6 personnel would provide the secretarial and clerical support functions. Specific responsibilities of personnel, by level, are discussed in Appendix VI.

TABLE II-1

STAFFING SCHEDULE FOR BASIC DESIGN

(Number of Staff in IIC)

| <u>LEVEL/DESCRIPTION</u> | <u>YEAR</u> |           |           |           |           |
|--------------------------|-------------|-----------|-----------|-----------|-----------|
|                          | <u>1</u>    | <u>2</u>  | <u>3</u>  | <u>4</u>  | <u>5</u>  |
| 1 Division Head          | 0           | 0         | 0         | 0         | 0         |
| 2 Department Head        | 2           | 2         | 2         | 2         | 2         |
| 3 Supervisor             | 7           | 7         | 7         | 7         | 7         |
| 4 Senior Professional    | 5           | 5         | 8         | 8         | 8         |
| 5 Junior Professional    | 9           | 12        | 13        | 14        | 14        |
| 6 Support                | <u>11</u>   | <u>12</u> | <u>13</u> | <u>14</u> | <u>14</u> |
| <b>Total</b>             | <b>34</b>   | <b>38</b> | <b>43</b> | <b>45</b> | <b>45</b> |
| Cairo                    | 22          | 26        | 31        | 33        | 33        |
| Regional Offices         | 12          | 12        | 12        | 12        | 12        |

### 3. Physical Facilities

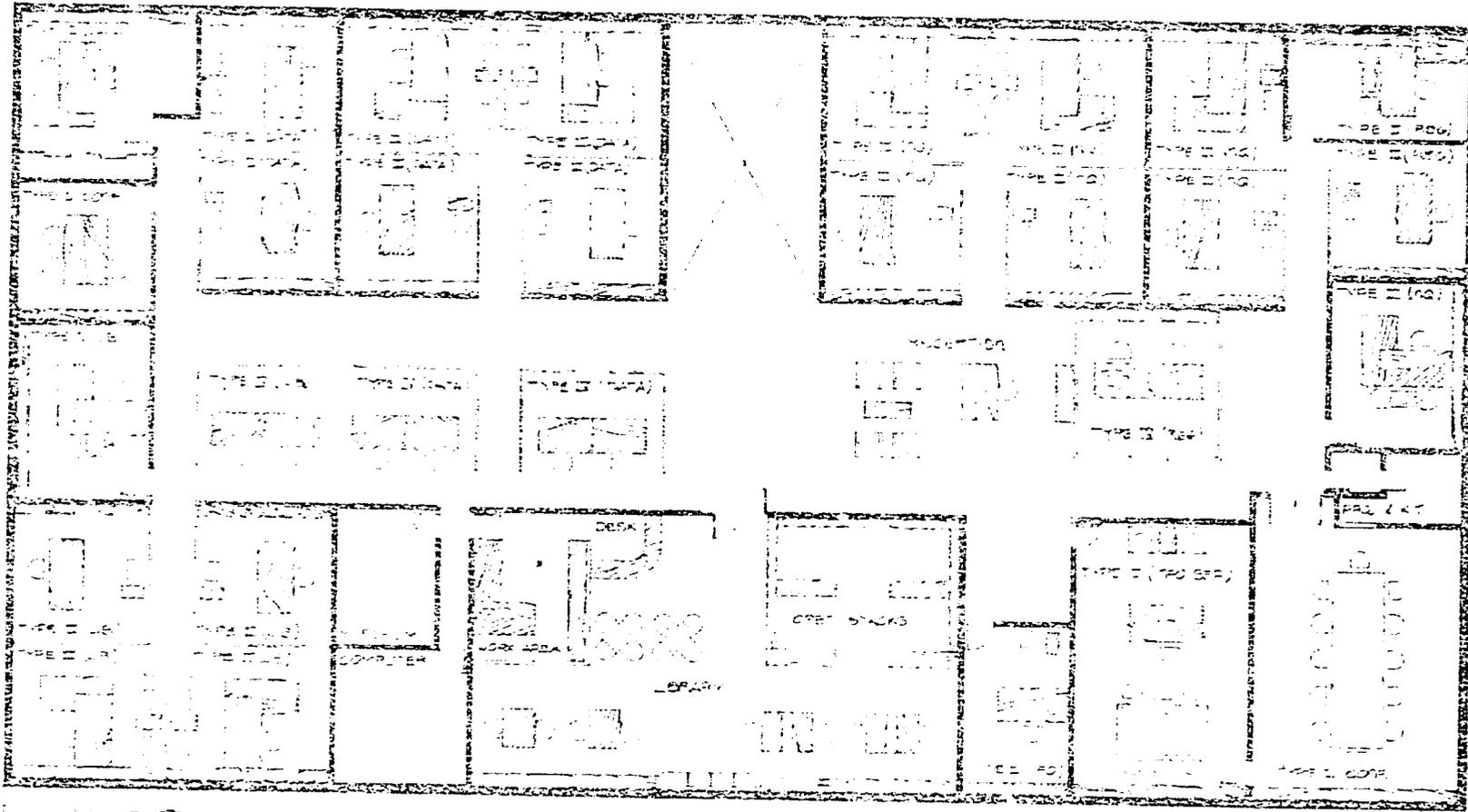
The Basic Design alternative would require about 800m<sup>2</sup> of office space in Cairo where it would, by year five, involve 23 professionals and 10 support staff; the Regional Offices would each require between 60-100m<sup>2</sup>. A detailed description of the physical facilities and assumptions behind these designs may be found in Appendix VIII.

Figures II-2 and II-3 illustrate the typical space program and layout indicating the relationship between functions of the IIC for the Basic Design alternative. The space "modules" for each type of office or conference space and the library are described in Appendix VIII. For illustration purposes, the space for the Basic Design alternative would fit approximately within one floor of the Authority's office at 8 Adly Street, although no decision has been reached as to whether space would be available for the IIC at this location.

In this design, the reception area, library, and Department Head's office are situated so that these functions are centrally located. The conference area and the Department Head's office are directly connected. Senior Professional and Supervisor's offices are situated along the periphery of the building, with Junior Professional and Support personnel located in interior spaces. The office spaces associated with the library, inquiry and data services are grouped together in order to facilitate communication within each function.

### 4. Budget

The budget estimate for this design of the IIC for the first five years of operation is summarized in Table II-2. A more detailed breakdown may be found in Appendix IX. Year "0" represents the Development Phase (described below) which has a duration of six months beginning at the time the decision is made to proceed with this design and ending with the opening of the IIC. Total costs for the IIC under this design would average to approximately \$2.2 million per year excluding year 0. They would amount to about \$2.3 million in the first year, of which \$800,000 would be in local currency equivalents and \$1.5 million would be in foreign exchange. By the fifth year the total costs would also amount to about \$2.3 million, consisting of \$750,000 in local currency equivalents



**Legend**

OFFICE TYPES

- TYPE 1
- TYPE 2
- TYPE 3
- TYPE 4

CONFERENCE ROOMS

- TYPE 1
- TYPE 2

ABBREVIATIONS

- (INT. SER.) INTERNAL SERVICES
- (DATA) DATA SERVICES
- (LIB) LIBRARY SERVICES
- (IND) INDUSTRY SERVICES
- (REG) REGIONAL SERVICES

**Basic Design Alternative:**  
Cairo Center

**Level 1**

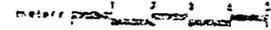
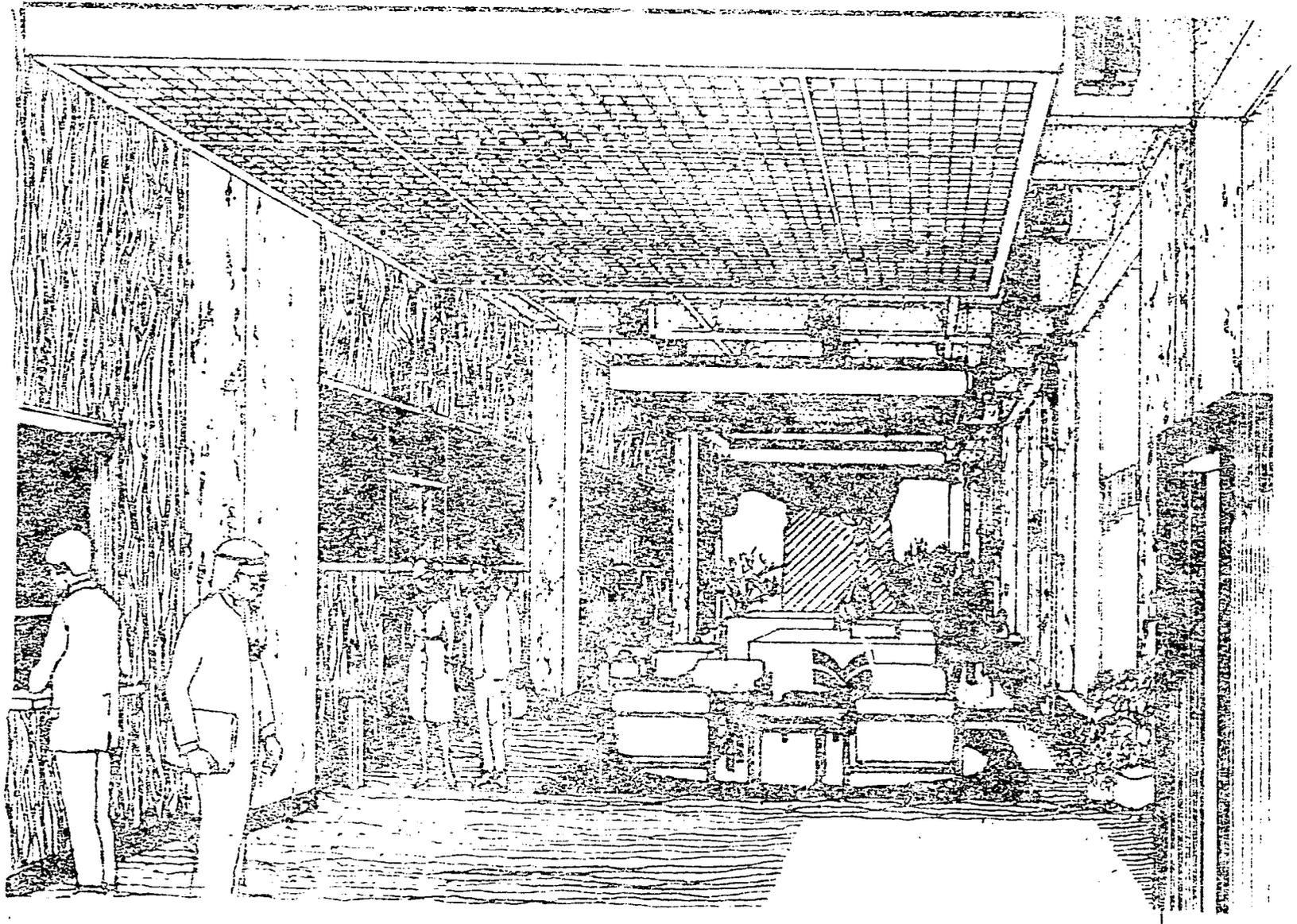


FIGURE II-2



11-10

Reception Area

FIGURE 11-3

TABLE II-2

SUMMARY ESTIMATED BUDGET FOR BASIC DESIGN

(Thousands of Dollars, 1980 Prices)

|                              | YEAR                  |          |          |          |          |          |
|------------------------------|-----------------------|----------|----------|----------|----------|----------|
|                              | <u>0</u> <sup>1</sup> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> |
| CAPITAL COSTS <sup>2</sup>   | 193                   | 542      | 33       | 74       | 3        | 0        |
| Foreign Exchange             | 0                     | 266      | 13       | 60       | 3        | 0        |
| Local Currency <sup>4</sup>  | 193                   | 276      | 20       | 14       | 0        | 0        |
| OPERATING COSTS <sup>3</sup> | 943                   | 1734     | 1964     | 2191     | 2269     | 2269     |
| Foreign Exchange             | 816                   | 1202     | 1340     | 1470     | 1526     | 1526     |
| Local Currency <sup>4</sup>  | 127                   | 532      | 624      | 721      | 743      | 743      |
| TOTAL                        | 1136                  | 2276     | 1997     | 2265     | 2272     | 2269     |
| Foreign Exchange             | 816                   | 1468     | 1353     | 1530     | 1529     | 1526     |
| Local Currency <sup>4</sup>  | 320                   | 808      | 644      | 735      | 743      | 743      |

<sup>1</sup> Covers 6-month development period prior to opening the IIC.

<sup>2</sup> Includes purchase of equipment, facilities and material of more permanent nature such as books.

<sup>3</sup> Includes ongoing operating costs such as payroll, office rent, supplies, utilities, travel, training and contract services.

<sup>4</sup> Dollar equivalent of LE costs at 1980 conversion rates. For a more detailed breakdown see Appendix IX.

and \$1.5 million in foreign exchange. Total capital costs for the Development Phase and the first five years of operation would be about \$340,000 in foreign exchange and \$500,000 in local currency equivalents. Total foreign exchange requirements through the end of the fifth year of operation are estimated at approximately \$8.2 million. (These estimates are given in 1980 prices.)

*J.D.*

### C. COMPREHENSIVE DESIGN

In the Comprehensive Design the IIC serves not only as an information center, but also as a body directly responsible for promoting and facilitating investment in Egypt. In this capacity the IIC could augment the Authority's regulatory and research functions and provide the Authority with significant additional capability for stimulating and directing the flow of private investment in Egypt.

The IIC's responsibilities would encompass:

- Collection, storage and dissemination of information pertaining to investment;
- Response to and channeling of inquiries pertaining to investment;
- Active promotion of Egypt as a desirable location for investment; and
- Facilitation of prospective investors.

By providing these services the IIC would actively seek and assist investors and thus directly promote Egypt and facilitate the investment process.

The organization of the IIC under this design alternative is shown in Figure II-4. It would consist of the following five departments.

- Information Services, which comprises three units -- Inquiry Services, Library Services, and Data Services;
- Promotion, which comprises two units -- Marketing and Promotional Materials;
- Investor Services, engaged in providing investor facilitation services;
- Regional Offices, which represent the IIC outside Cairo (principally for maintaining contact with the governorates and local business); and
- Foreign Offices, which represent the IIC abroad (principally for maintaining contact with business internationally).

Four Regional Offices are contemplated -- in Alexandria, Port Said, Suez and Upper Egypt (possibly Aswan or Luxor). Three Foreign Offices are contemplated the first year -- in an Arab country in the Middle East, in the U.S. and in Europe; three additional offices are contemplated by the fifth year -- one more in the U.S., one more in Europe and one in Japan.

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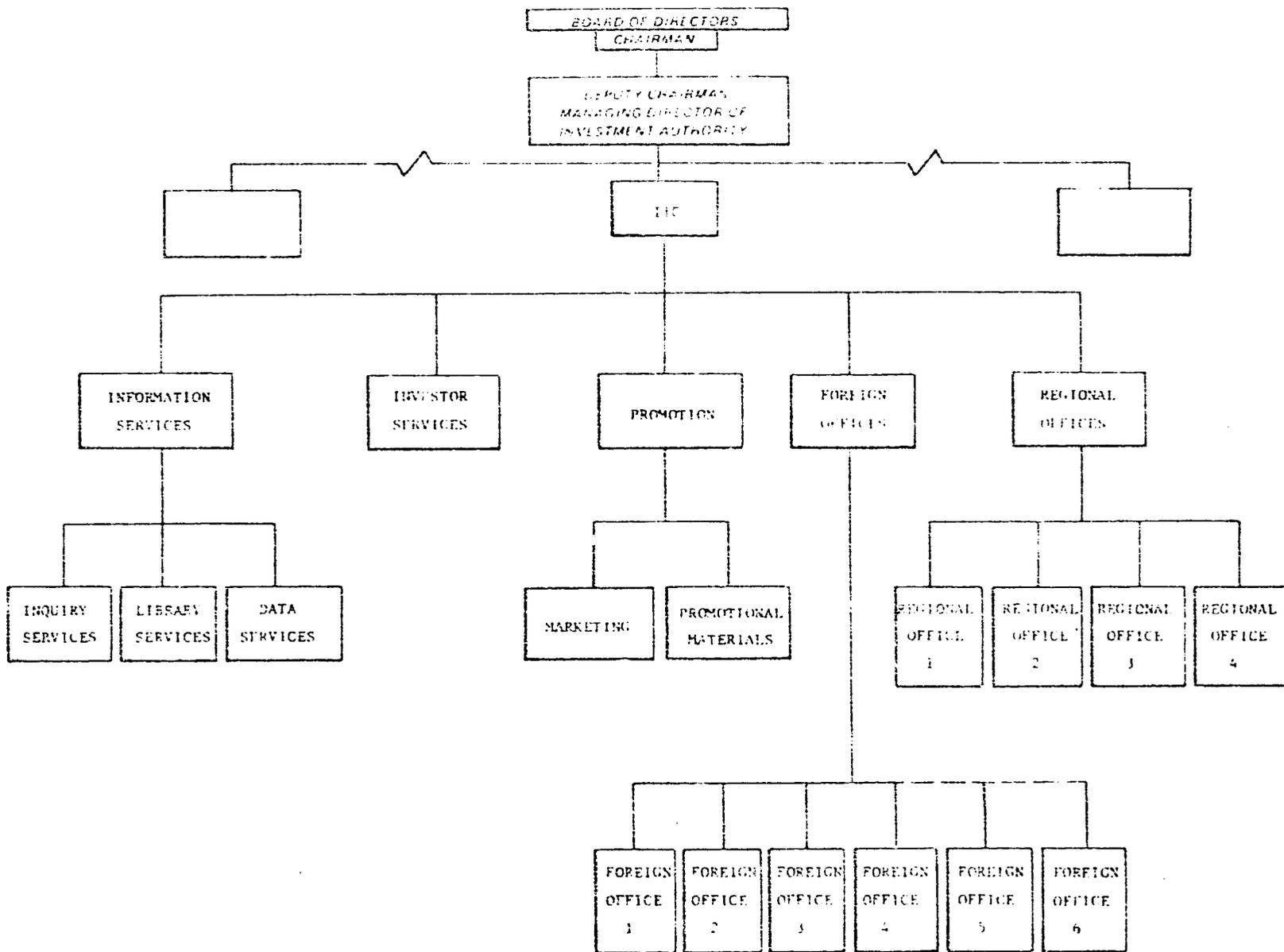


FIGURE 11-4: COMPREHENSIVE DESIGN - IIC ORGANIZATION

The Comprehensive Design would encompass the efforts of 75 people in Cairo, 12 people in Regional Offices and 20 people in key locations throughout the world by the third year of operation. It would require an initial investment of LE 1 million (during the first 18 months) and an annual operating cost of about LE 3.7 million (when fully operational by the fifth year from inception).

1. Principal Activities

The principal activities of the Comprehensive Design IIC are described in Appendices III, IV, and V. They may be summarized briefly as follows.

a. Information Services

The principal activities of this department would be servicing the information needs of both prospective investors and the Authority. Both the activities and staffing are the same as those described under the Basic Design alternative. (See Sections B.1 and B.2, above, and Appendices III and VI.)

b. Promotion

Promotion responsibilities and activities can be divided into two groups--marketing and promotional materials.

(1) Marketing

The focus of this unit is to plan and develop marketing strategies and programs for promoting investment in Egypt (see Appendix IV). Its activities include:

- Assess the characteristics and potential of investor markets and analyze the attitudes and needs of potential investors within such markets;
- Develop promotional strategies and promotional materials, organize advertising campaigns;
- Initiate and maintain contact with journalists, consultants and other opinion molding professionals to maintain Egypt at a high level of consciousness;
- Participate in seminars, conferences, exhibitions, international fairs and meetings pertaining to investment; and
- Initiate contacts with Egyptian investors and, in coordination with the Foreign Offices, with Egyptian joint venture partners; maintain such contacts until such time as Investor Services can take over.

## (2) Promotional Materials

The focus of this unit is to package information for promotional purposes. Its principal activities include:

- Produce brochures, publications, audiovisual material, seminar and briefing documents; and
- Provide editing, arts and graphics services to other IIC and Authority departments in support of their activities.

### c. Investor Services

The focus of this service is to persuade prospective investors to invest in Egypt and to facilitate the investment process (see Appendix V). Its principal activities include:

- Guide investors during the pre-application and application stage of the investment process. This includes guiding investors on the feasibility of a project, procedural requirements to approve a project, incentives likely to be made available and other regulatory administrative requirements;
- Act as liaison for investors with other government agencies and the private sectors when obtaining necessary approvals prior to and during project implementation. This includes facilitation in gaining necessary permits, licenses and other legal approvals; and
- Act as a trouble-shooter to assist investors in solving specific problems and difficulties which arise during the implementation and operation of investments.

### d. Regional Offices

The function of this department would be to represent IIC and maintain contact with the governorates and economic activities in the provinces. Its activities and organization would be the same as those described under Alternative 1. (See Sections B.1 and B.2, above.)

e. Foreign Offices

The function of this department is to represent the IIC abroad and be the main contact between the foreign investment community and the IIC.

The principal activities include:

- Initiate contact with potential investors, banks, government agencies abroad;
- Respond to foreign investor inquiries and refer inquiries to appropriate IIC departments if necessary;
- Bring prospective investors in contact with appropriate IIC personnel; and
- Distribute IIC promotional material.

TABLE II-3

STAFFING SCHEDULE FOR BASIC DESIGN

(Number of Staff in IIC)

| <u>LEVEL/DESCRIPTION</u> | <u>YEAR</u> |           |           |           |           |
|--------------------------|-------------|-----------|-----------|-----------|-----------|
|                          | <u>1</u>    | <u>2</u>  | <u>3</u>  | <u>4</u>  | <u>5</u>  |
| 1 Division Head          | 1           | 1         | 1         | 1         | 1         |
| 2 Department Head        | 10          | 12        | 13        | 15        | 15        |
| 3 Supervisor             | 15          | 17        | 18        | 20        | 20        |
| 4 Senior Professional    | 12          | 15        | 22        | 24        | 24        |
| 5 Junior Professional    | 15          | 19        | 22        | 26        | 26        |
| 6 Support                | <u>22</u>   | <u>26</u> | <u>31</u> | <u>35</u> | <u>35</u> |
| Total                    | 75          | 90        | 107       | 121       | 121       |
| Cairo                    | 51          | 62        | 75        | 85        | 85        |
| Regional Offices         | 12          | 12        | 12        | 12        | 12        |
| Foreign Offices          | 12          | 16        | 20        | 24        | 24        |

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## 2. Staffing

As shown in Table II-3, the IIC staff under the Comprehensive Design would consist of 75 people in the first year of operation. Of this number 51 people would be located in Cairo, 12 in the regions and 12 abroad. By the fifth year of operation the IIC staff would grow to 121 people, with 85 of the staff in Cairo, 12 in regions and 24 abroad. As was the case for the Basic Design alternative, some of the positions created in this design could be filled by the present Authority staff, especially from the Investment and Research Evaluation and Promotion Divisions, and thereby not necessitate adding the total numbers of personnel shown in Table II-3 to the Authority's staff. A more detailed breakdown of the staffing requirements may be found in Appendix VI.

The proposed staff of the IIC has been classified by six levels depending on seniority, experience, job responsibilities and salary. In general, Levels 1 and 2 personnel would have administrative and leadership responsibility for the IIC and its departments. Level 2 personnel would also act as senior staff in activities requiring high level contact with foreigners and may have some supervisory responsibility. Level 3 personnel would have operational supervisory responsibility. They would also act as key personnel in unit operations. Levels 4 and 5 personnel would comprise the Senior and Junior staff respectively and would perform the activities expected of the various units. Level 6 personnel would provide the secretarial and clerical support functions. Specific responsibilities of personnel, by level, are discussed in Appendix VI.

## 3. Physical Facilities

The Comprehensive Design would require about 2000m<sup>2</sup> of office space in Cairo by year five, where 59 professionals and 26 support staff would be employed. Regional Offices would require 60-100m<sup>2</sup> each and Foreign Offices would require about 100m<sup>2</sup> each. A detailed description of the physical facilities and assumptions behind these designs may be found in Appendix VIII.

The space requirements for this alternative are illustrated in Figures II-5 through II-8. Using the existing Authority building as a guide, this alternative requires two and one half floors. Again, the relationships between IIC functions is a guide to final space layout when the space is selected. It is our opinion that the total space required for this alternative may exceed that which might reasonably be found within the existing building at 8 Adly Street and that the Authority may have to consider leasing or purchasing space in a nearby office building, or consider relocating the IIC and the Authority to new headquarters. See Appendix VIII for discussion of this conclusion.

The first level would house the IIC Director's Offices which are directly related to the reception, library and large conference room. The Inquiry Service and Data Services functions would also be located on this floor.

The second level would house Investor and Inquiry Services. Each function would have its own small conference area.

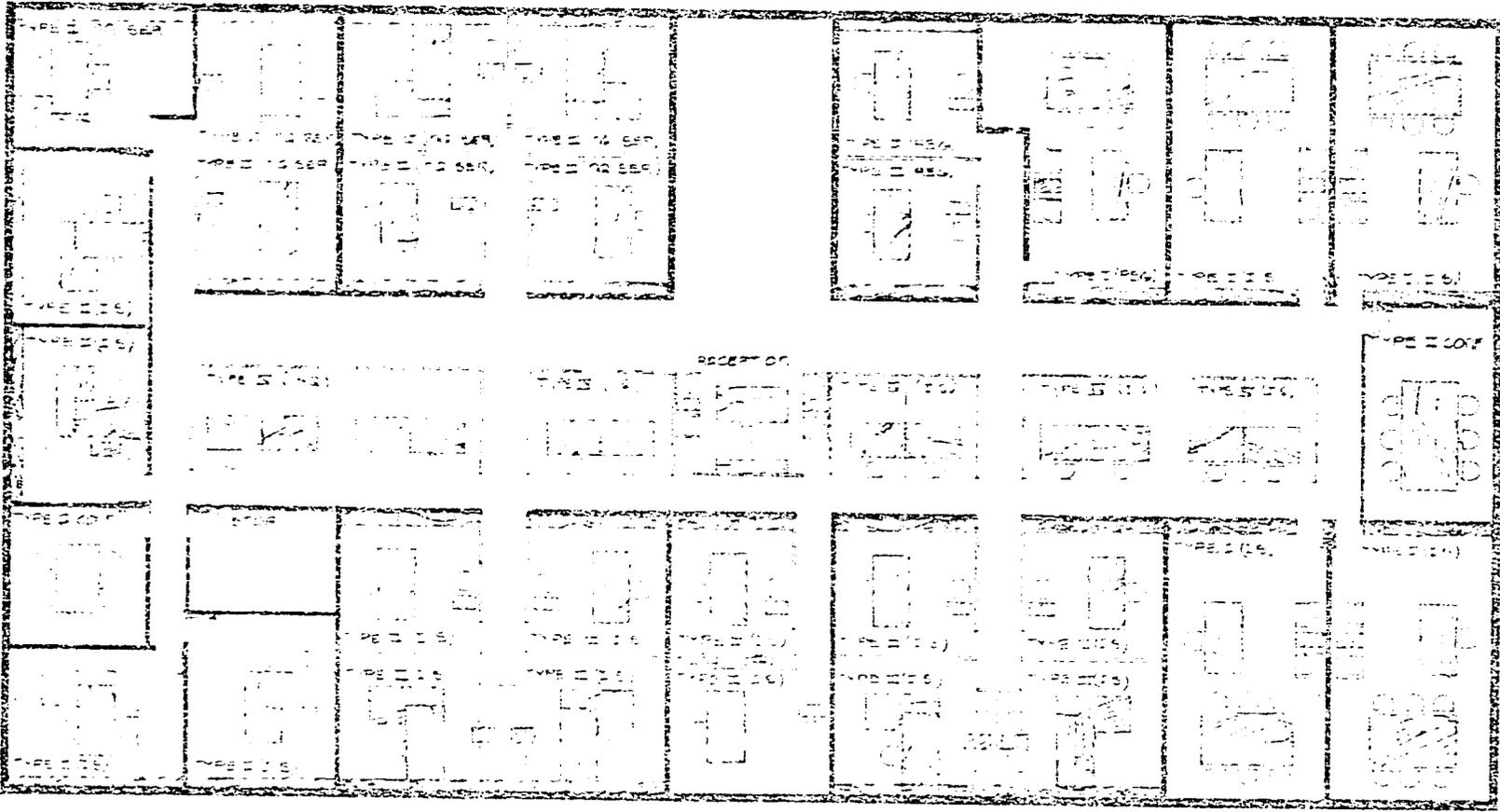
The third level would house Promotion, Regional and Foreign Office functions with a small conference room.

As in the Basic Design alternative, supervisors and senior professional offices would be located along the periphery of the building and junior professional and support personnel work stations would be on the interior.

#### 4. Budget

The budget estimate for this design of the IIC for the first five years of operation is summarized in Table II-4. A more detailed breakdown may be found in appendix IX. Year "0" represents the Development Phase (described below) which has a duration of six months beginning at the time the decision is made to proceed with this design and ending with the opening of the IIC. Total costs for the IIC under this design would average to approximately \$4.75 million per year excluding year 0. They would amount





Legend

OFFICE TYPES

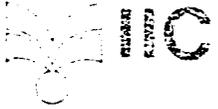
- DIRECTOR'S OFFICE
- EXECUTIVE OFFICE
- GENERAL OFFICE
- SPECIAL OFFICE

CONFERENCE ROOMS

- CONFERENCE ROOM
- MEETING ROOM

ABBREVIATIONS

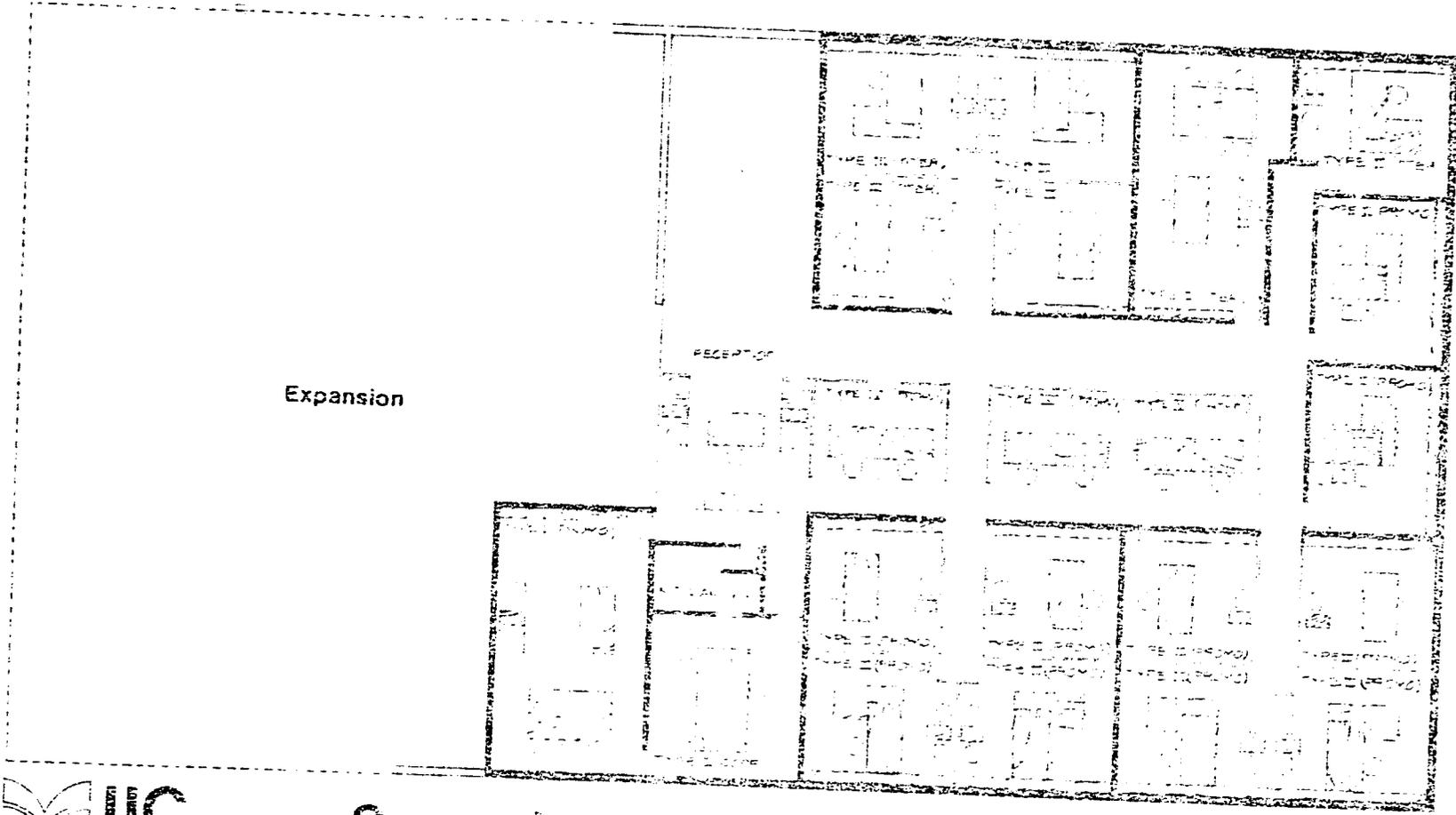
- (DRO) DIRECTOR'S OFFICE
- (INFO SVCS) INFORMATION SERVICES
- (DATA) DATA SERVICES
- (LIB) LIBRARY SERVICES
- (IND) INDUSTRY SERVICES
- (RES) RESOURCES SERVICES
- (PROM) PROMOTION SVCS.
- (RES) RESIDENTIAL SERVICES
- (INTER) INTERNATIONAL SVCS



Comprehensive Design Alternative: Level 2  
Cairo Center

FIGURE II-6

Expansion



Legend

OFFICE TYPES

- (S) SINGLE OFFICE
- (D) DOUBLE OFFICE
- (T) TRIPLE OFFICE
- (O) OPEN OFFICE

CONFERENCE ROOMS

- (C) CONFERENCE ROOM
- (M) MEETING ROOM

ABBREVIATIONS

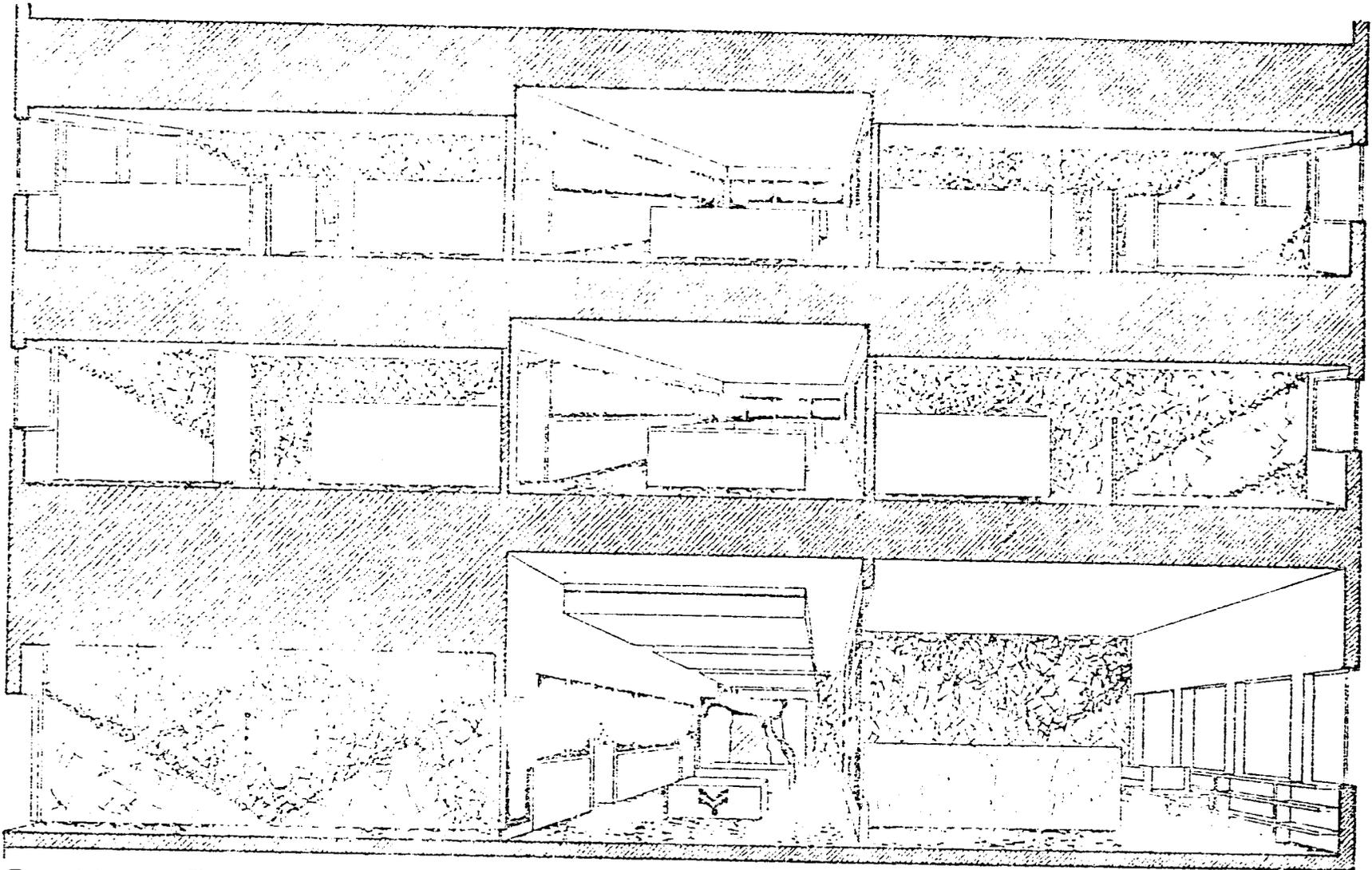
- (S) SINGLE OFFICE
- (D) DOUBLE OFFICE
- (T) TRIPLE OFFICE
- (O) OPEN OFFICE
- (C) CONFERENCE ROOM
- (M) MEETING ROOM
- (S) SINGLE OFFICE
- (D) DOUBLE OFFICE
- (T) TRIPLE OFFICE
- (O) OPEN OFFICE
- (C) CONFERENCE ROOM
- (M) MEETING ROOM
- (S) SINGLE OFFICE
- (D) DOUBLE OFFICE
- (T) TRIPLE OFFICE
- (O) OPEN OFFICE
- (C) CONFERENCE ROOM
- (M) MEETING ROOM



**Comprehensive Design Alternative: Level 3**  
 Cairo Center

meters 0 1 2 3 4

FIGURE II-7



Section - Perspective

FIGURE II-8

II-24

to about \$4.5 million in the first year, of which \$1.5 million would be in local currency equivalents and \$3 million would be in foreign exchange. By the fifth year the total costs would amount to about \$5 million, consisting of \$1.5 million in local currency equivalents and \$3.5 million in foreign exchange. Total capital costs for the Development Phase and the first five years of operation would be about \$800,000 in foreign exchange and about \$1 million in local currency equivalents. Total foreign exchange requirements through the end of the fifth year of operation are estimated at approximately \$17.5 million. (These estimates are given in 1980 prices.)

TABLE II-4

SUMMARY ESTIMATED BUDGET FOR COMPREHENSIVE DESIGN

(Thousands of Dollars, 1980 Prices)

|                              | YEAR                  |          |          |          |          |          |
|------------------------------|-----------------------|----------|----------|----------|----------|----------|
|                              | <u>0</u> <sup>1</sup> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> |
| CAPITAL COSTS <sup>2</sup>   | 338                   | 1054     | 176      | 201      | 129      | 0        |
| Foreign Exchange             | 0                     | 522      | 95       | 120      | 90       | 0        |
| Local Currency <sup>4</sup>  | 338                   | 532      | 81       | 81       | 39       | 0        |
| OPERATING COSTS <sup>3</sup> | 1157                  | 3396     | 3947     | 4584     | 5124     | 5129     |
| Foreign Exchange             | 1006                  | 2427     | 2803     | 3244     | 3632     | 3631     |
| Local Currency <sup>4</sup>  | 151                   | 969      | 1144     | 1340     | 1492     | 1498     |
| TOTAL                        | 1495                  | 4450     | 4123     | 4785     | 5253     | 5129     |
| Foreign Exchange             | 1006                  | 2949     | 2898     | 3364     | 3722     | 3631     |
| Local Currency <sup>4</sup>  | 489                   | 1501     | 1225     | 1421     | 1531     | 1498     |

<sup>1</sup> Covers 6-month development period prior to opening the IIC.

<sup>2</sup> Includes purchase of equipment, facilities and material of more permanent nature such as books.

<sup>3</sup> Includes ongoing operating costs such as payroll, office rent, supplies, utilities, travel, training and contract services.

<sup>4</sup> Dollar equivalent of LE costs at 1980 conversion rates. For a more detailed breakdown see Appendix IX.

#### D. TIME-PHASED DEVELOPMENT PLAN

We have prepared, and presented as Appendix X, a time-phased development plan for bringing into being either of the design alternatives. For each alternative the plan describes the following steps, in sequence:

##### 1. Development Phase

As soon as a decision is made to proceed with the preferred alternative and necessary decrees enabling the establishment of the IIC have been issued, work should commence on the Development Phase. The steps summarized below could be completed in a six-month period at the end of which sufficient personnel, facilities, and programs could be in place to begin operating the IIC.

##### • Organization and staffing

After appointment of an IIC Development Director, to be in charge of this phase, the principal steps include, in sequence:

- .. Assigning a small working staff to support the Director,
- .. Engaging consultants to assist in the early months
- .. Establishing job specifications and salaries; recruiting,
- .. Identifying training programs and initiating them,
- .. Receiving and refining staffing plans for subsequent years.

##### • Program development

This phase includes preparing the program and compiling material for Inquiry Services, preparing the program for and establishing the library, preparing the program for and beginning the development of data for Data Services, preparing a program for the Regional Offices. In the Comprehensive Design this phase extends similar activities to Promotion and Investor Services as well as for the Foreign Offices.

##### • Physical facilities preparation

The steps in this activity begin with establishing a site selection committee, reviewing available choices, choosing a location, preparing a final layout, developing a schedule for renovation or a move, developing the materials and equipment budget for the Cairo office, the Egyptian Regional Offices, and the Foreign Offices, and procuring the equipment.

##### • Budget elaboration

## 2. Operations Phase

At the end of the six-month Development Phase the IIC should be sufficiently developed to begin operating along the lines described earlier. The steps summarized below identify actions that should be carried out on an ongoing basis once the IIC is operating.

- Organization and staffing

This involves reviewing and revising staffing requirements based on actual operational experience; identifying, interviewing, and recruiting additional personnel; and revising, refining and/or elaborating on training programs.

- Program revision and elaboration

As programs are implemented they are to be monitored on a continuous basis, with performance as against program assessed annually. Changes in Information Services needs and requirements of investors are also to be reviewed annually. Refinements and elaborations of plans for future programs will be based on these assessments.

- Physical facilities preparation and management

These steps involve installing equipment, continuing to furnish offices according to schedule, and carrying out a sound maintenance program.

Reference should be made to Appendix X for details of these development plans.

## E. IMPLICATIONS FOR REST OF THE AUTHORITY

### I. Basic Design

Under the Basic Design the IIC would be a one-stop information center, not a service center which would provide a range of facilitative and promotional services to investors. However, the IIC's operations would relate to functions of the Research, Evaluation and Promotion Division and the Investment Division. Staff from these divisions--those who perform facilitative activities such as inquiry response tasks--may in fact be appropriately transferred from their present unit to the IIC.

The IIC would have no regulatory or planning authority, thus all such functions would remain where they now are in the Authority. Facilitative functions of the IIC would be limited to advising potential investors on "how" to proceed, bringing the investor into contact with the regulators, but not proceeding with any regulatory action. For instance, the IIC would not procure a permit; it would merely advise on how to procure it.

Under the Basic Design the IIC would have no leadership responsibility in promotion. Promotional material and promotion campaigns, as described in Appendix IV, would be designed and executed by the existing Promotion Department, which would need to be strengthened. The IIC would merely use promotional material to respond to inquiries.

The Library, presently a unit under the Information and Statistics Department, would become a unit in the IIC.

The Information for Investor Services Unit (within the Statistics Department) could be transferred to either the Research or Promotion Department, within the Research, Evaluation and Promotion Division. The Project Statistics Unit should be upgraded to an Information Department with the mission of compiling and processing operational information. A small computer may aid this Department's operations. Project status reporting would be one of the responsibilities of this department.

## 2. Comprehensive Design

Under the Comprehensive Design the IIC is both a one-stop information center and a one-stop service center. Its operations relate to the functions of the present Research Evaluation and Promotion Division and the Investment Division. In fact, some of the functions presently under these divisions would be expected to be transferred to the IIC.

Information Services (Library, Inquiry and Data Services) activities impinge upon the Authority as described under the Basic Design (e.g., transfer of units from the Statistics Department).

The IIC as envisaged under this alternative would absorb the facilitation and promotion activities from the divisions in which they presently reside. Since the IIC would have no planning or regulatory authority, all such functions would remain in the Authority.

Under this alternative, facilitative functions of the IIC would still be advisory in nature but participatory in practice. The IIC would not procure a permit, arrange for a joint venture, or recommend a site. It would, however, actively participate in the process of securing a permit, arranging for a joint venture or finding a site.

Under this alternative the IIC would have the promotion strategy as well as publications packaging responsibility now with the Research Evaluation and Promotion Division. Research Evaluation and Promotion would retain those activities of a strategic research nature (e.g., what sector to promote, what incentives to design, what priorities to have), but not those of a public information nature.

### III. FINDINGS AND RECOMMENDATIONS

#### A. INTRODUCTION

In this chapter we present the principal findings of our review of the policies, structure and operations of the Investment Authority in its present form and recommendations for improvements. It will be useful for these findings and recommendations to be read in context with those made in our report of March, 1980, presenting a Priority Information Plan for the Authority, and against the background and analyses in Appendices I and II herein which, respectively, examine the Authority in more detail and characterize comparable activities in other countries. It is to be emphasized that the purpose of this critique is a limited one: to set the stage for the Authority's consideration of the alternative designs for an Investment Information Center presented in Chapter II.

## B. GENERAL OBSERVATIONS

We have argued both in this report and in the Priority Information Plan that a successful investment development program requires performance of certain essential functions, designed to serve the interests both of the investor and of the host country. Different administrative and organizational systems can be utilized to perform these functions and the particular administrative organization of those functions does not alone account for the effectiveness of successful programs. More important than the structure of the organization is the presence of two key characteristics:

- That the functions performed respond directly to the long-term needs of the country as well as to the requirements of the investor; and
- That the system for performing these functions is coherent, active, and well-coordinated.

In commenting on the Egyptian investment development program as it is carried out today, we first make three preliminary observations:

- Egypt's experience in encouraging, controlling, and assisting foreign investment is still limited in duration; although considerable progress has been made in the first few years, a period of trial and error continues.
- The Egyptian investment program is blessed by a comprehensive and far-sighted legal mandate; most of the essential functions of a successful program have been foreseen in Law 43 and supporting legislation.
- The challenge which lies ahead is essentially to develop those functions which are still not being fully or effectively performed in the current program, including especially the critical functions related to information generation and dissemination.

C. SPECIFIC FINDINGS

1. The primary activity of the Investment Authority to date has been the regulation of investment.

The efforts of the Investment Authority are still focused strongly on regulatory functions. Although the Authority is mandated to undertake the wide range of missions needed in an effective investment development program, the heart of the Authority's work, as currently carried out, is controlling the investment application process and monitoring the compliance of investors with regulations. Hence, the Authority as a whole as it presently operates, even though there is a growing promotion effort observable, seems more concerned with policing foreign investment than in attracting it.

2. The overall promotion effort is passive in character.

With some isolated exceptions, the Authority has not had an active, aggressive promotion program designed to reach out toward the kinds of investors who can make the open-door policy a success. Thus far, with the exceptions noted, the tactical response to the open-door mandate has been to let the investor come to the Authority rather than have the Authority go to the investor. While the Authority is now beginning to organize more active promotional efforts, its overall promotional strategy has been largely passive, highly dispersed, and essentially ad hoc in nature.

3. The open-door policy lacks an explicit, clearly-defined sense of direction.

It is unclear to most observers, particularly foreign investors, what types of investments the government actually desires and how it discriminates among different projects. The Authority has received only quite general policy guidelines to direct its efforts; has no internally organized program planning function; nor specific, explicit criteria, widely disseminated and explained, for identifying and evaluating priority sectors and projects. The resultant lack of definition and focus leaves many investors uncertain and hesitant about future government attitudes toward their potential investment in Egypt.

4. There is an unsatisfactory integration of functions needed to make the program work effectively.

Seen from the investor's viewpoint, the investment approval process is complicated, unpredictable, and discouraging. The investor must work with a range of different offices both inside and outside the Authority. It is the investor's responsibility to master the system, rather than the Authority's task to guide the investor through it. No clearly defined, written guidelines have yet been produced to clarify the investor's task.

Furthermore, there is no effective coordination among the critical functions designed to attract investment into Egypt. For example, information activities, promotional efforts, and investor services are handled largely independently of one another.

5. Information outputs of the Authority are unsatisfactory.

The Authority has not yet satisfied the average investor's need for specific, timely and pertinent data and information. Data currently provided are not tailored to the investor's needs. Special reports on markets and industrial sectors are not yet published for distribution to those sectors where the Authority wishes to encourage investment.

6. Foreign investor skepticism and reluctance pose an especially daunting challenge to the Authority.

Our survey of the attitudes of key potential foreign investors toward making substantial commitments in Egypt today reveals both skepticism and reluctance. Some of this stems from factors over which the Authority, or even the Egyptian Government as a whole, has little or no control. Some of it arises, however, from investor experience with conditions in the investment development program itself, summarized in the five preceding specific findings. It is with these causes of investor skepticism and reluctance that the Authority's opportunity lies. Experience elsewhere shows that determined efforts, intelligently directed, can overcome many of the difficulties that beset private sector development in countries like Egypt. In the sections which follow, therefore, and in the Appendices to this report, we spell out the steps which we believe can lead to significant expansion in the flow of both foreign and private sector investment.

#### D. AREAS REQUIRING SPECIAL ATTENTION

The foregoing general observations and specific findings lead directly to an identification of areas of organization and activity in the Authority that require special attention at this time. We have noted that the Authority is still undergoing the growth pains of forcing an effective investment development program and we are cognizant of the efforts now being made to improve current operations. Nevertheless, we believe that focusing constructively on weaknesses will assist the Authority in this task. Accordingly, we urge that special attention be given to two areas of organization and activity:

- Areas where no significant investment development activity now occurs; and
- Areas where, although activity is occurring, improvements are needed.

##### 1. Areas where no significant investment development activity now occurs.

###### a. Institutionalized Policy Coordination and Guidance

The Authority appears to have no mechanisms for active, continuous self-assessment. Policy decisions are made by the Managing Director, but he is not supported by an institutionalized effort within the Authority to assess the direction and nature of the organization's activities and the success or shortcomings of its programs. Major issues face the successful implementation of the open-door policy which require rigorous review. Means to improve the entire investment development process also require study. Such review and study, accompanied by formal recommendations, could assist the Managing Director in seeking approval from the Board of Directors or higher authority for major policy decisions which would strengthen the program.

###### b. Program Planning

Perhaps the most serious omission to date in the Authority's activities is the virtual absence of an organized, formal program planning function designed to give substantive direction to the open-door policy and particularly to the important promotional efforts. There is very little, if any, formal guidance provided within the Authority to assist the staff in discriminating among large categories of possible projects. No operational criteria have been drawn up for the selection of new projects for promotion or evaluation of proposals submitted for approval.

Both for the foreign investor and for the Egyptian Government, this lack of parameters denies to the Egyptian effort focus and force. Not only is this function clearly spelled out in Law 43, it is an essential backbone to any strong program.

2. Areas where Improvements are needed.

a. Information Activities

In the Priority Information Plan submitted to the Authority considerable attention was given to the long-term need for developing a series of both information inputs and outputs. In this current analysis we re-emphasize these needs, particularly with respect to the information outputs destined for potential investors. Information in this context is seen both as a promotional tool as well as a service to investors. Hence, it is an essential component to two key functions of an investment program, namely promotion and facilitation. Both of these functions have suffered for lack of strong information inputs and outputs. To make either of these functions effective, major efforts have to be focused on responding to the investor's need for hard, pertinent information on the issues that concern him. Current information outputs for the investor are far too broad and outdated to be of value to the foreign investor.

b. Promotional Activities

Promotional activities are beginning to receive more attention in the Authority than has been the case in the past. However, these activities continue to be handicapped by several factors:

- In large part because the Authority has not yet created a program planning system for identifying priority areas of investment, the promotional program has not been able to focus clearly on objectives for investment, target specific industries and companies, or sectors. Without guidance from such a program planning system, promotional efforts have been highly dispersed, depending largely on ad hoc proposals coming from politically important groups in Egypt, the Deputy Chairman, or other key officials in the Authority.
- Also, the personnel resources for a dynamic effort are seriously deficient in the Authority. While the caliber of the current Promotion Department staff is high, neither its size nor its diversity of experience with foreign investors is nearly adequate to give the program the force it needs.

- Major resources are needed not only in Cairo but also in special Investment Authority offices in key financial centers such as New York, Frankfurt, London, and Tokyo, for example. Personnel in such offices must themselves be trained and instructed to undertake active programs to contact key investment groups abroad where opportunities for investment in Egypt appear bright. Much can be learned from the successful experience of active investment centers in other foreign countries, as described in Appendix II.

c. Facilitation Activities

Services to investors are provided by several units within the Authority, in particular the Investment Division, the Promotion Department, and the Information and Statistics Department. In practice, these services are highly dispersed and the individual investor finds that he must deal with many different officials in the Authority to obtain what he needs. If he has especially difficult problems, the tendency is to seek direct intervention from the Deputy Chairman. Frequent recourse to the Deputy Chairman is a reflection of the problems which the investor faces either in obtaining approval or else obtaining assistance in setting up his investment. Despite sincere efforts to assist investors, there is still no focused service-orientation on the part of the Authority. The investor is faced with a confusing maze of offices and officials with whom he must deal. Furthermore, nowhere in written form are the steps spelled out which the investor must follow. An investor's guide or manual on procedures has not yet been published to facilitate this task.

E. CONCLUSIONS REGARDING ESTABLISHMENT OF AN IIC

Typically, the decision as to whether or not to proceed with a major project such as the IIC depends on the technical, financial and economic feasibility of the project. In this case, the first two criteria have limited meaning. Technical feasibility could be interpreted to mean the ability to establish an IIC within the Authority. To the extent that this refers to developing the staff and programs to meet the objectives of the IIC, our conclusion is that the project is technically feasible. (See the discussion in Section F, below, for further elaboration.)

Financial feasibility is not strictly relevant in this case either. The IIC, as a branch of a government agency, should not be viewed as a profit-making venture. On the other hand, the IIC should operate within the budget allocated to it and perform its responsibility in a cost-effective manner. Performance criteria could be established to measure the cost effectiveness of the IIC and, if necessary, monetary values could be assigned to the benefits attributable to the IIC which, in turn, could be compared to the costs. Criteria measurements could include:

- Increases in numbers and size of investment;
- Increases in employment attributable to these investments;
- Increased inquiries from potential investors; and
- Reduced average time between initial inquiry, submission of application, decision on application, project implementation and operation.

It would be possible to develop some crude indicators such as:

$$\frac{\text{Total Jobs Due to Law 43 Firms (in year X)}}{\text{Authority Budget (in year X)}}$$

or,

$$\frac{\text{Total Approved Applications (in year X)}}{\text{Authority Budget (in year X)}}$$

These indicators could be developed annually and observed in order to see how they moved as the budget increased and as time elapsed.

While we do not advocate the IIC becoming a financially self-supporting agency, we do see possible opportunities arising, once it is well established, for the IIC generating some revenues. These revenues could stem from several sources including:

- Special information searches or reports for would-be investors or other Government agencies requiring greater-than-usual effort;
- Preparation or assistance in preparation of promotional material of a specialized nature--such as particular regions of the country or specific sectors--initiated on request by other agencies; and
- Training programs or other special services provided to other agencies.

To reiterate, these activities should not be expected to generate revenues before the IIC has reached a high level of competency and has fully developed the programs outlined in our report. Furthermore, it should be noted that if these "extra" services are provided, the staff and operating budget may have to increase as well.

Finally, we do believe that the IIC would be an economically feasible project, i.e., resulting in greater benefits than costs in terms of national resources. The benefits, some of which are mentioned in Chapter I, Section E, include: enhancing the effectiveness of the investment development process; generating more investment in the private sector and hence creating more jobs; and developing the capabilities of a cadre of young professionals who would be employed by the Authority but ultimately available to work in other sectors of the economy.

It should be noted that a major portion of the project's budget is for training and contract services (much of which may be considered as on-the-job training) and that, traditionally, these kinds of activities do yield a high benefit-cost ratio in a developing economy as they elevate the human resources capabilities of the nation.

As for measuring the employment and investment impact of the IIC, we would estimate conservatively that the IIC would improve the Authority's performance level by at least 25-40% over the present level, suggesting that the total annual investment under Law 43 and the corresponding jobs created thereby could be increased by 25-40% annually over the levels expected without the IIC.

F. RECOMMENDATIONS

On the basis of the foregoing analysis, the following broad recommendations are offered to the Authority. In our view, these recommendations, when acted upon, would lead to remedying many of the current weaknesses of the Egyptian investment development process. It should be noted that acting on the first recommendation, below, will greatly assist the Authority in carrying out the others.

1. Establish an Investment Information Center of high quality for the purpose of enhancing the effectiveness of the entire Authority.

After reviewing the two alternative designs presented in this report the Authority should select that which it believes is within its abilities--budgetary, administrative, physical--and proceed with the relevant development plan for that design as described in Chapter II.

If the Basic Design is selected, attention should also be directed to developing the critical capabilities, described in Appendices IV and V, in Promotion and Facilitation, both of which would remain within the structure of the Authority as at present. If the Comprehensive Design is selected and implemented, these capabilities will automatically be provided.

2. Improve the information base of the Authority--outputs as well as inputs.

The information which the Authority can use for its own activities or put at the disposal of the investor is of doubtful value. Furthermore, the concept of information must be broadened to include not just statistics but other facts and insights that can be used by planners and evaluators, be they in the private sector or a part of the government. The more credible and reliable the Authority's information is, the more confidence will be placed in it.

3. Adopt a stronger orientation toward seeking out and attracting foreign investment to Egypt.

The Authority should actively pursue a set of clearly defined investment objectives--either by adopting and implementing the Comprehensive alternative for the IIC or by taking other actions to strengthen its promotion and facilitation functions. This re-orientation will require strong initiatives and personnel capable of building effective relations with foreign investors.

4. Strengthen operations in terms of effort, resources and quality, in the promotion area.

Closely related to the previous recommendation, emphasis in the future should be on "direct selling" into various markets, i.e., on the basis of a sound marketing strategy. Overseas representation in key financial centers should be provided. Foreign personnel should be employed to help in this marketing effort and the quality of local personnel working on the promotional effort should be upgraded.

5. Tailor the investment development program to the needs of the investor and develop a complete array of investor services.

An underlying theme of these recommendations is that the Egyptian investment development program must make greater efforts to attract and satisfy the interests of investors rather than be excessively concerned with regulating applications and existing investment. The process of investing in Egypt can be extremely complicated for an individual investor, such that these complications and doubts may discourage an investor either from applying for a permit or from implementing that permit. Recent information bears out the fact that all too many approved applications are not being implemented.

The Egyptian program requires not only a new market orientation but an investor orientation. The investor's task of obtaining information, making contacts, finding joint-venture partners, submitting applications, obtaining administrative permits, securing necessary land and labor for his investment are all issues of genuine concern for an integrated investment promotion program. While it is not the responsibility of the Authority to perform these tasks for the investor, the Authority may, nevertheless, simplify and expedite these tasks; perhaps making the difference between an investment seen through to fruition, and one that was never realized.

6. Strengthen the program planning activities of the Authority.

The current thrust of the investment program remains unclear. The absence of formal, institutionalized program planning, priority setting, and development of criteria for selection and action create a sense of uncertainty within the investment community and even within the Egyptian Government. If the previous recommendations calling for an active posture and a "direct selling" promotional effort are to be realized, these must

be reinforced by a clear sense of priorities and objectives. Within the current Authority the mandate exists to undertake this effort but present resources and activities are inadequate.

7. Seek greater coordination among the various agencies responsible for some aspect of the investment development process.

While the Authority is not explicitly charged with the responsibility of coordinating the efforts of other government institutions engaged in the process of stimulating and guiding investment, it does have a leadership role assigned to it by Law 43. Other key agencies participating include the General Organization for Industrialization, the Central Bank, Ministries of Finance, Land Reclamation, Agriculture, Development and New Communities, and others. Many of these are represented on the Authority's Board, but an array of other channels and means for achieving both high-level and working level coordination need attention and activation. As the new Investment Information Center, in either operational form, becomes operational, the Authority will be placing itself in a strong position for leadership among these agencies by virtue of its command of information vital to all of them. This is an opportunity to be energetically grasped.

Finally, an important question raised by all the previously-stated recommendations is--Can appropriate personnel for carrying out these recommendations be attracted and, if so, how? Attracting and retaining qualified personnel for the IIC will present the Authority with a formidable, but not insurmountable, challenge. In order for the IIC to be effective in interfacing between government and top executives in business throughout the world, the staff will have to be:

- Well informed about a wide variety of subjects dealing with Egypt; technology; laws, procedures and policies; sources of information; business trends; and business practices;
- At ease with all levels of people in government and business and capable of communicating (in Arabic as well as at least one foreign language) effectively both orally and in writing;
- Energetic, responsible and able to take initiative. The staff will have to be able to pursue their tasks with minimal guidance and be able to make decisions, within their sphere of responsibility, on their own.

Although most of the skills and responsibilities can be learned through on-the-job and formal training, a good educational background will be necessary in addition to the above-mentioned characteristics.

A sufficient pool of talent on which to draw does exist in Egypt; however, some concern has been voiced that the present government salary structure would make it nearly impossible to attract and retain people for the IIC with these qualities. Nevertheless, we have reason to believe that the pool of available talent could be tapped if the following conditions were instituted in the IIC:

- (1) Create a highly stimulating environment which can attain a wide reputation for being a particularly exciting place to work.
- (2) Provide abundant opportunities for learning valuable skills and acquiring experience and information that would be useful in other positions in either the private or public sectors.

The opportunities should include travel, formal training programs as well as exposure to and participation in higher level meetings.

- (3) Provide attractive and well-kept physical facilities.

The IIC should have modern equipment, access to a wide network of information, adequate budget for maintaining smooth operations and an overall highly professional working environment.

- (4) Provide authority and sufficient autonomy to make decisions within the assigned areas of responsibility.
- (5) Offer the highest possible salaries within the Government structure and as generous bonuses as possible.

The staff of the IIC, on all levels, should be relatively young. Furthermore, in general, staff members should not be expected to stay with the IIC for more than five or six years. By adopting this approach the IIC should be able to attract bright, young professionals who view this experience as a stepping stone in their career development. While

this may be viewed as a costly approach, it does represent one of the most effective ways by which to attract and develop the qualified staff required for the Center. Furthermore, in developing the skills and capabilities of its staff, the IIC will be enhancing the value of a segment of Egypt's human resources which should benefit the economy where ever they are employed.

APPENDIX I

THE INVESTMENT AUTHORITY  
IN ITS PRESENT FORM

APPENDIX I

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## APPENDIX I

### THE INVESTMENT AUTHORITY IN ITS PRESENT FORM

#### A. INTRODUCTION

In this Appendix we describe the Investment Authority in its present form, noting first the functions given it by Law 43 as amended, the organizational structure through which those functions are discharged, how those functions are allocated among the existing organizational units, and how actively they are carried out, as we have observed them. Our purpose is to provide background for the organizational changes recommended in the body of this report and a reference for analyzing those recommendations in the light of what now exists. So far as we know, no previous comprehensive statement of these matters has been prepared, and we have relied on documents collected from numerous sources within the Authority, supplemented by interviews to provide the pieces which we here assemble.

B. FUNCTIONS OF THE AUTHORITY MANDATED BY LAW 43

Following the declaration of the "open door policy" in 1974 by President Sadat, the foundations for the new policy took form in Law 43 of 1974 (subsequently amended by Law 22 in 1977). Law 43 thus became a symbol of Egypt's commitment to open its economy to broader international participation as well as to restructure its economy and society, especially its previously moribund private sector. For both domestic and foreign investors, Law 43 also has come to signify the government's strong interest in fostering productive investment aimed at long-term and concrete economic benefits for the nation and its population.

The agent for transforming this policy into action, specified in Law 43, is the Investment and Free Zones Authority. The new Authority, under the direction of its Board of Directors, was assigned specific functions. These range from general research and intelligence gathering relevant to developing investment, to control and monitoring of the investment process, to promotion and facilitation of new investment, to recommending changes in policy and laws to improve the investment development process as a whole. In short, from its beginning, the Authority has been envisioned as an institution which should deal with virtually all aspects of the investment cycle.

Article 26 of Law 43 is explicit with respect to the tasks to be performed by the institution. These are described by generic category in the following paragraphs.

1. Research and Program Planning

The tasks of "analyst" and "planner" are clearly assigned in the first two paragraphs of Article 26.

Paragraph (1) instructs the Authority to study the "laws, regulations, and resolutions" affecting foreign investment in Egypt and "submit proposals" with respect to their interpretation and implementation. The force of this clause is that the Authority, through its Board of Directors and supported by its professional staff, is to assume a broad policy-making and/or policy-recommending role with respect to how investment is to be both encouraged and controlled.

Paragraph (ii) of Article 26 endows the Authority with a program planning function through the instruction to identify or designate desired or priority investments. The Authority is directed to "prepare lists" of activities and projects where foreign capital is to be "invited". This mandate grants the Authority a critical and active role in the selection of investments to be promoted and permitted.

## 2. Control and Monitoring

A role for the Authority as a regulator of investment is also specified in Article 26. Paragraph (iv) directs the Authority to "review applications" from investors and "present the outcome" of that review to the Board of Directors "for decision". This clause thus specifies that the Authority will analyze, judge, and recommend whether a proposed investment project should be granted official approval by the Egyptian Government (and entitled, therefore, to special benefits). By extension, this function implies not only that the Authority's staff has an indirect measure of control over proposed projects (the Board of Directors making the ultimate decision), but in practice that the Authority is in a position to discourage or effectively eliminate those projects of which it does not approve.

Paragraphs (iv) and (v) of Article 26 provide for a follow-up--monitoring--function to be exercised by the Authority over projects which have been approved. For example, the Authority must register invested capital, review the valuation of that capital at the time of disposal or repatriation, approve profit remittances on the basis of an examination of relevant documents, and verify that all laws and standard accounting principles have been observed.

## 3. Promotion and Facilitation

The promotional role of the Authority is mandated by paragraph (iii), which specifies that the Authority will "offer projects for investment", "render advice", and "familiarize international capital markets and capital exporting countries" of the "approved lists" of the Authority. The Authority's role as an investment facilitator through the provisions of

services to the investor is defined in paragraph (vii) in which the Authority is instructed to assist the investor in procuring permits (from itself and other agencies) and in handling general administrative matters.

## C. ORGANIZATIONAL STRUCTURE OF THE AUTHORITY

### 1. Overview

The decision-making body within the Authority is its Board of Directors, chaired by the Minister of Economy and Economic Cooperation. Membership on the Board is not formally prescribed in Law 43 but is apparently fixed periodically through Presidential decisions. Composed of approximately 20 representatives from a cross-section of ministries, the Board is responsible for executing the mandate of Law 43 and providing for the organizational support of these functions. The Deputy Chairman of the Board acts as Managing Director of the Authority. In practice, the Board appears to have delegated to the Managing Director broad discretionary powers in carrying out the activities and deciding on the organizational structure of the Authority.

As the attached Figure A-I-1 illustrates, the Authority is organized around four major "divisions":

- The Research, Evaluation and Promotion Division<sup>1</sup>
- The Investment Division
- The Free Zones Division
- The General Secretariat

The first three divisions have primarily programmatic responsibility; the General Secretariat is concerned principally with administration.

The next level in the organizational hierarchy is the "general departments", some of which are units of the divisions while others function separately under the direct control of the Managing Director. The latter category largely consists of support units intended to service the major divisions. They include, among others, the Statistics and Information Department, the Training and Organization Department, and the Legal Department. (See Figure A-I-1)

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<sup>1</sup>In some documents this Division's title is given as the "Research and Studies Division".

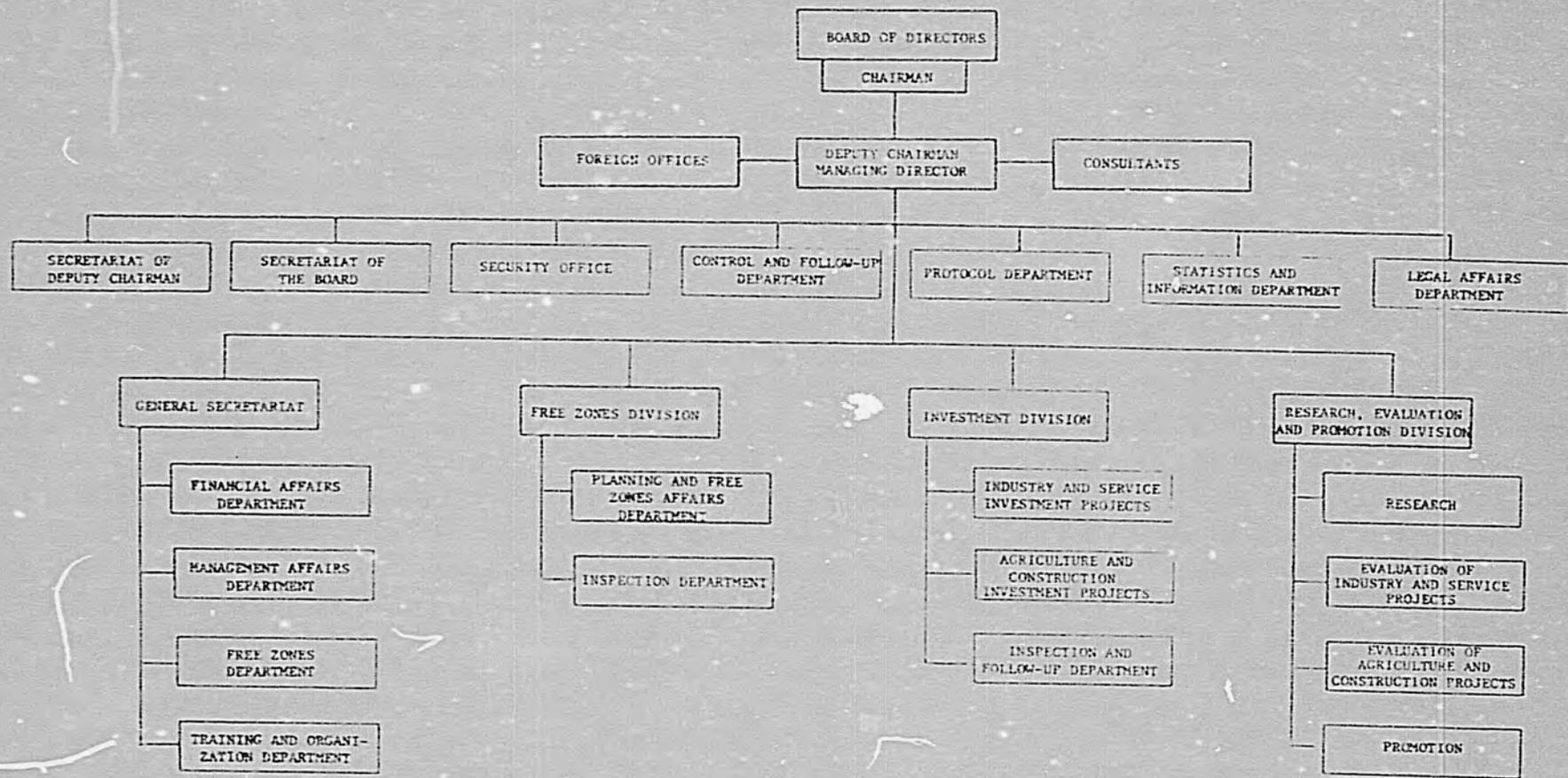


FIGURE A-1-1: ORGANIZATION OF THE INVESTMENT AUTHORITY

## 2. The Major Divisions

The majority of the Authority's activities directly affecting investment take place in the three programmatic divisions. In terms of the Authority's functions as defined in the previous section, the divisions do not separate out easily into self-contained units. There is substantial overlap among them with respect to the research and control functions in particular. In the case of the Free Zones Division, virtually all types of investment development functions are performed, focused on the geographically-specific zones.

### a. The Research, Evaluation and Promotion Division<sup>1</sup>

The activities of this division are broad, as the name implies. The division was designed primarily to undertake the studies and investigations needed by the Authority for the selection and screening of proposed investment projects. In this respect, the division is charged with receiving and analyzing project applications and performing project-related studies. Beyond its more explicit research functions, however, the division is expected to take the most active role in the Authority in the identification, promotion, and servicing of future investment and investors. The division technically has responsibility for the Authority's promotional programs, responding to investor inquiries, identifying priority projects to be pursued, and some forms of assistance to investors.

The Research, Evaluation and Promotion Division is composed of four departments: Research, Promotion, Evaluation of Industrial and Service Projects, and Evaluation of Construction and Agricultural Projects.

#### ● The Research Department

The Research Department has a broad mandate of studies, but in practice has focused its work on opportunities for foreign

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<sup>1</sup>As noted above, this Division is also referred to as the Research and Studies Division.

investment, studies of rates of return of different types of investments, economic surveys, and promising prospects for joint ventures. In addition to its research functions, the department also has responsibility for maintaining contact with other public and private sector economic analysis groups concerning future investment possibilities which should be studied.

● The Promotion Department

The Promotion Department is the Authority's main outreach to investors. Potentially, its mandate permits it an active role in identifying and marketing specific projects, contacting investment circles, performing a brokerage function, and servicing specific investor needs in Egypt.

The range of its current duties generally include the following:

- .. Preparing market programs, including missions abroad and international conferences
- .. Preparing advertising materials for promotion in the form of booklets and brochures
- .. Communicating with foreign agencies and Egyptian embassies and cooperating with them in preparing meetings and programs.

Internally the department is organized according to investment sectors, namely Industry, Land Reclamation, Tourism, and Housing and Building Materials. The responsible official heading each sectoral unit is charged with overseeing promotional efforts with respect to his sector and maintaining contact with the relevant technical agencies for that sector. There is also specific responsibility assigned internally for following potential markets on a regional basis, i.e. for the EEC, the Arab countries, Japan/Asia, the U.S.A. It is these Promotion Department officials who have most direct and regular contact with a would-be investor before his application for a permit is submitted.

- The Evaluation Department for Industry and Services

This department has central responsibility for the review of incoming investment proposals to be referred to the Board of Directors for approval, including proposals for investment in the free zones. In contrast to the Research Department whose area of investigation is more wide-ranging, the Evaluation Department's focus is concentrated on the content and form of the investment applicant's submission.

The department first verifies if all required material has been submitted, reviews the feasibility study which accompanies the application, and obtains necessary corroborating data either from the Department for Statistics and Information or other outside sources. The department enjoys considerable leverage in its responsibility to investigate the financial and commercial status of a local or foreign investor, to request opinions for relevant technical organizations, and to study the financial and economic feasibility of the project under the investment regulations.

- The Evaluation Department for Construction and Agriculture

This department performs the same functions as its sister department, focusing on construction and agricultural projects.

b. The Investment Division

The Investment Division is designed to handle the mechanics of the investment process and to examine periodically the problems facing investors. Its focus is primarily on control and regulation, as opposed to program planning, research and promotion.

Its range of duties comprises the following:

- Follow-up on project establishment and implementation to ensure compliance with the law and the Authority's approval
- Study of requests for duty exemptions and extensions of tax holidays
- Review and ratification of articles of incorporation after review by the Legal Department

- Advice on requests from approved projects for changes in capital investment, shareholders, legal form, etc.
- Decisions on profit and capital repatriation requests pursuant to Law 43 and the executive regulations
- Assistance to investors with required administrative obligations within the Authority and other government agencies
- Review of problems faced by investors, particularly those which limit growth of investment, and making appropriate recommendations.

The Investment Division's functions are carried out by three departments:

- Industry and Service Investment Projects
- Construction and Agriculture Investment Projects
- Control and Follow-up

The two departments for investment projects (which correspond to the two "Evaluation Departments" in the Research, Evaluation and Promotion Division) essentially are designed to assist the investor in the process of getting established as opposed to evaluating his application for an investment permit. These service functions are broken down into sectoral areas such as banking, investment, construction; chemicals, engineering; tourism, transportation, housing; agriculture, land reclamation, mining.

The services comprise such activities as assisting investors in obtaining permits from executive agencies, reviewing applications for customs exemptions, issuing approvals and licenses.

The Department for Inspection and Follow-up, as indicated by the name, exercises essentially control and regulatory functions. The department is divided into two units of the same names, one for follow-up, the other for inspection. For its part, the Follow-up Unit monitors the investor's progress and possible difficulties. Periodic reports are drafted on these subjects as well as analyses of difficulties facing the execution of a project.

The Inspection Unit concentrates on the compliance of the investor with the law and the Authority's approval, including reviews of the currency accounts opened by the investor. The unit also

issues registration certificates required by law and studies applications for repatriation of invested capital.

c. The Free Zones Division

The activities of the Free Zones Division are distinguished from general inland investment by their geographically-specific character. The division is responsible for all procedures related to the free zones until such time as these are governed by independent Boards of Directors. Because of the specific physical character of the free zones, the division's work is more closely focused on managerial, technical and financial factors affecting the zones than is work in the Investment and Research, Evaluation and Promotion Divisions.

Summarizing broadly these activities, the work of the division involves the following:

- General policy and guidance for the development of the zones
- Formulation of financial, managerial and technical regulations
- Supervision of technical and engineering work in the free zones
- Undertaking inspection and auditing of the zones
- Proposing rental rates for land and real estate to the Authority's Board of Directors and studying the budgets of the free zone administrations
- Conducting broad economic and technical studies on opportunities, problems, and changes in the free zones
- Studying and recommending fees to be charged on exports and imports in and out of the zone
- Issuing permits for entry into free zones and studying applications to terminate or amend licenses.

The Free Zones Division is composed of two departments, one for Planning and Free Zones Affairs and the other for Inspection.

● Planning and Free Zones Affairs Department

This department is broken down into units of Engineering and Free Zones Affairs. The Engineering Unit oversees the technical and engineering studies required for establishing the

free zones and supervises their ensuing implementation. It also participates in land site inspection and lays down rules pertaining to construction activity.

The Free Zones Affairs Unit fulfills the other functions of the division with respect to the zones. These include data collection, research, and general studies, managerial aspects of the zones' organization and budgetary control.

- Inspection Department

This department is broken down into three units under the headings of Research and Licensing, Financial Follow-up and Inspection, and Implementation. The Research and Licensing Unit focuses on the analytical back-up of the free zones, conducting comparative studies on free zones in other countries and analyzing problems in the operations of the Egyptian zones. In addition, the unit reviews and acts on applications and requests for licenses or changes in licenses to operate in the free zones. The Financial Follow-up and Inspection Unit concentrates its activities on controlling the development of activities already underway in the zones. The day-to-day activities of the zones come under close scrutiny by this unit which monitors the financial regulation, controls the registries and inventory analysis, reviews data on product components, and conducts financial analyses of project activity. Finally, the Implementation Unit works on procedural matters to improve the functioning of the zones. These activities include assistance to investors in their application processes, the issuance of work permits for expatriate employees, coordination with customs with respect to shipments in and out of the free zones as well as drafting rules governing employees of the Authority working on free zone projects.

d. The General Secretariat

General operations management falls under the jurisdiction of the General Secretariat as illustrated in Figure A-I-1. The Secretariat is divided into four departments: The Financial Affairs

Department, Management Affairs Department, the Free Zones Department, and the Training and Organization Department.

- Financial Affairs Department

This department is broken down into two units, namely the Accounting Unit and the Contracting and Purchasing Unit. The Accounting Unit includes a budget and finance section responsible for preparing the budget, controlling its execution, and maintaining records of all financial commitments and a review and internal control section which performs the internal audit of the Authority's operations and prepares the final accounts. The Contracting and Purchasing Unit for its part controls all aspects of those activities in the Authority, inspects the Authority's assets and makes periodic and annual inventories.

- Management Affairs Department

This department operates through two units, Personnel Affairs Operations and Management Services Operations. The Personnel Affairs Operations Unit performs the traditional functions of a personnel office with the exception of defining job specifications and skills classifications, which is the authority of the Training and Organization Department. The Management Services Unit deals in office management problems including support operations and medical and social services.

- Free Zones Department

This department performs the same financial and management functions for the Free Zones Division that the previous two departments perform for all other activities in the Authority.

- Training and Organization Department

See below.

### 3. Supporting Departments

As illustrated in Figure A-I-1, several departments report directly to the Managing Director of the Authority, lying outside the purview of the

three programmatic divisions. These departments serve as supporting units to the divisions and to the Board of Directors. Apart from the secretariats to the Board and the Deputy Chairman/Managing Director, there are two departments of particular substantive relevance to developing a strong investment program, namely the Statistics and Information Department and the Legal Department. The Training and Organization Department, now a unit within the General Secretariat, also has duties of high relevance to the development of a strong investment program with the Authority.

• Statistics and Information Department

Of critical importance to the information function of the Authority is the Statistics and Information Department whose responsibilities range from collecting data, statistics, and documents, submitting such information to various departments in the Authority, contributing to reports and brochures, inquiring on the financial and commercial status of applicants, and maintaining a library in the Authority.

The department is divided into three units: the Project Statistics Unit, Information for Investor Services, and the Library. The Project Statistics Unit, as the name implies, maintains the central files on projects approved by the Authority in order to make available all data required by the Authority's management. In addition to acting as a repository for project data, the section is responsible for drafting, or at least providing basic data for, several periodic reports, including the important annual report--written by the Research, Evaluation and Promotion Division--which are the principal information releases of the Authority. With respect to investor-oriented information, a second unit called the Information for Investor Services has been established. The official aim of this unit is to provide relevant data to investors interested in investing in specific projects. These data are general macro statistics on the Egyptian economy, market size, foreign trade, etc. Finally, the Authority's Library--although at this time not operational--constitutes another unit in the department's structure, intended to perform normal library functions, including gathering of necessary reference data and

communicating with specialized agencies for the exchange of research materials.

- The Legal Affairs Department

This department, serving all of the major divisions of the Authority, performs the traditional functions of a government legal office. The department is charged with reviewing all articles of incorporation leading up to issuance of a ministerial decree establishing a company under Law 43 and representing the Authority in court and before third parties. The department prepares draft contracts and submits legal opinions on issues referred to it by the Deputy Chairman of the Authority, drafts internal regulations with respect to personnel or other administrative or organizational matters, and follows up on complaints or undertakes special investigations.

- The Training and Organization Department

This department, now attached to the General Secretariat, is the in-house program designed to upgrade technical and management skills of the Authority's personnel as well as to improve internal management procedures. The department is broken down into two units: one for Mission and Training and the other for Organization and Management.

The Mission and Training Unit, apart from supervising the Authority's training program, undertakes several analytical functions, including identifying the training requirements, analyzing professional performance standards, interacting and coordinating with other training agencies, planning for the distribution of scholarships and grants for external training, and following up on the trainees' activities. The task of the Organization and Management Unit is to study the management planning systems and prepare studies on improved organization. Its opinion is sought in any suggested organizational changes, and it is charged with preparing periodic reports on the soundness of the organizational structure, means to simplify procedures and forms, standards of work performance and personnel accountability, and job specifications for the recruitment of new personnel.

D. ORGANIZATIONAL STRUCTURE AS A REFLECTION OF OBJECTIVES AND FUNCTIONS

In Chapter II of the Priority Information Plan, we reviewed the experience of investment development programs in other countries and concluded that the most successful of these programs had explicitly defined functions, reinforced by a strong organizational network designed to execute them. Appendix II discusses these other centers in detail.

From this review we observed that most successful investment development agencies perform the following functions in one form or another:

- Policy elaboration and guidance
- Investment program planning
- Research and analysis
- Investment promotion
- Investment regulation
- Facilitation of investors and the investment process
- Operations management

While virtually all of these functions are present in the operations of successful programs, the manner in which they are organized administratively varies greatly. They may be dispersed throughout several ministries, making coordination decentralized and frequently difficult, or overall authority may be concentrated in one organization which controls all the relevant functions in the investment development process.

1. The Authority's Functional Characteristics as Mandated by Law

The functions performed by the Egyptian Investment Authority give it a character that falls between the two extremes of dispersion and concentration. While Law 43 defined extensive functions for the new organization, the Authority was not granted precedence over other agencies in the performance of these tasks, and in practice must share the field with a number of other bodies in the government. This shared authority is primarily in the control and regulation of investment, particularly the granting of approvals for investment under Law 43, on which other agencies have strong influence, and the monitoring of compliance with regulations. In the areas of program planning, research, promotion, and facilitation

of foreign investment, however, the Authority has been given a virtually exclusive franchise<sup>1</sup>.

The functions which the Authority is mandated by law to carry out include both line and support functions. The line functions which the Authority is expected to perform include:

- The promotion effort to attract foreign investment into Egypt
- The control function of screening and recommending investment applications for approval as a basis for obtaining the privileges conferred by Law 43
- The facilitation function to assist the investor in establishing his operation
- The inspection and follow-up activities to ensure compliance with regulations affecting Law 43 investors.

Support functions are also envisioned, both explicitly and implicitly by the law:

- Policy analysis to interpret laws, regulations, and resolutions affecting the development of foreign investment in Egypt
- Program planning to designate priority investments to be pursued
- Research and analysis to assist in the screening and evaluation of investment applications.

## 2. Allocation and Performance of Assigned Functions Within the Investment Authority at This Time

How assigned functions are allocated among units in the Authority and how actively they are performed is illustrated in Figure A-I-2 and described in the following paragraphs.

### a. The Policy Elaboration and Guidance Function

Although Law 43 is explicit in giving to the Authority the mandate to "study the laws, regulations, and resolutions" in connection with investment in Egypt and "submit proposals" as appropriate, the actual responsibility for studying policy implications of Law 43 investments does not seem to have been

<sup>1</sup>The Authority also regulates domestic Egyptian investment in cases where the benefits of Law 43 are sought for purely domestic projects; here also other agencies of the Government have overlapping authority.

| UNIT   | FUNCTION | FUNCTIONS                       |                  |                     |           |            |              |                       |   |  |
|--|----------|---------------------------------|------------------|---------------------|-----------|------------|--------------|-----------------------|---|--|
|  |          | Policy Elaboration and Guidance | Program Planning | Research & Analysis | Promotion | Regulation | Facilitation | Operations Management |   |  |
| 1. Board of Directors                        |          | *                               |                  |                     |           |            |              |                       |   |  |
| 2. Deputy Chairman<br>Managing Director      |          | *                               | *                |                     | ✓         |            |              |                       | ✓ |  |
| <u>DIVISIONS AND DEPARTMENTS</u>             |          |                                 |                  |                     |           |            |              |                       |   |  |
| 3. <u>Research, Evaluation and Promotion</u> |          |                                 |                  |                     |           |            |              |                       |   |  |
| a. Research                                  |          |                                 | *                | ✓                   |           |            |              |                       |   |  |
| b. Promotion                                 |          |                                 | *                |                     | ✓         |            |              | ✓                     |   |  |
| c. Evaluation                                |          |                                 |                  | ✓                   |           |            |              |                       |   |  |
| 4. <u>Investment</u>                         |          |                                 |                  |                     |           |            |              |                       |   |  |
| a. Investment Projects                       |          |                                 |                  |                     |           |            | ✓            | ✓                     |   |  |
| b. Inspection and Follow-up                  |          |                                 |                  | *                   |           |            | ✓            | ✓                     |   |  |
| 5. <u>Free Zones</u>                         |          |                                 |                  |                     |           |            |              |                       |   |  |
| a. Planning and Free Zones Affairs           |          |                                 | ✓                |                     |           |            |              |                       |   |  |
| b. Inspection                                |          | ✓                               |                  | ✓                   |           |            | ✓            | ✓                     | ✓ |  |
| 6. <u>Supporting Departments</u>             |          |                                 |                  |                     |           |            |              |                       |   |  |
| a. Statistics and Information                |          |                                 |                  | ✓                   | ✓         |            |              |                       |   |  |
| b. Training and Organization                 |          |                                 |                  | *                   |           |            |              |                       | * |  |
| c. Legal Affairs                             |          |                                 |                  |                     |           |            | ✓            | ✓                     |   |  |
| 7. <u>General Secretariat</u>                |          |                                 |                  |                     |           |            |              |                       | ✓ |  |

✓ Actively      \* Nominally

FIGURE A-I-2: ORGANIZATIONAL LOCUS AND STATUS OF PERFORMANCE OF PRINCIPAL FUNCTIONS

assigned below the level of the Deputy Chairman. The Board of Directors and the Deputy Chairman are clearly the critical actors in policy decisions and the Board, through the Deputy Chairman, may request studies of policy implications or interpretations of regulations. There is, however, no organizational unit in the Authority continuously and formally charged with the task of assessing the course of the foreign investment program or "submitting proposals" for improvement or changes in the implementation of Law 43. Despite this fact, the Authority has successfully brought about amendment of Law 43 and is now initiating amendments of the companies law. Considerable reliance in this process seems to have been placed on advisory services from outside the regular Authority organization--primarily foreign experts.

b. The Program Planning Function

If defined as the systematic identification of priority sectors, industries, or projects to be sought and promoted by the Authority, "program planning", as such, is not actively performed in the Authority at this time. Nominally and informally, some aspects of program planning are carried out by a few key individuals in the Research, Evaluation and Promotion Division; however the Deputy Chairman himself frequently identifies key projects or sectors which the Authority is to pursue actively. The Research Department within the Research, Evaluation and Promotion Division would appear to be the logical home for such a program planning function but in practice the Research Department's activities are focused more on micro issues, such as economic analyses of rates of return of specific types of investments, analysis of individual projects, etc. Also the Research Department's operations at this time have a relatively short-term perspective rather than the longer-term orientation required for effective program planning.

c. The Research and Analysis Function

Research and analysis functions are performed within many Divisions and Departments of the Authority.

Within the Research, Evaluation and Promotion Division, the Research Department and the two Evaluation Departments are by definition involved in a research and analysis function. While the Research Department is normally engaged in economic analysis of different types of inland investment, the Evaluation Departments focus on the data and feasibility studies presented to the Authority by potential investors in their investment applications. These departments are assigned the task of studying and verifying these submissions, and recommending action for the Board of Directors, including obtaining the expert opinions of other technical ministries.

Within the Investment Division, the Inspection and Follow-up Department, whose primary responsibility is regulatory control, is nominally charged with analyzing periodically the various procedures which the investor must pass through and with studying problems which confront the investor. In practice, however, this research and analysis function has not yet been an important task for the department.

Within the Free Zones Division a similar research and analysis activity is performed by its own Inspection Department. This department is instructed to study various impediments to investment in the free zones, undertake comparative studies of free zones in other countries, and study and review work progress and activity in the zones.

Within the Statistics and Information Department, the official task is the collection and organization of data, both on current investors as well as relevant economic data for investor inquiries. This could be called "research and analysis". In fact, however, this department does not undertake an original research and analysis function, but is largely a repository or conduit for data needed and used elsewhere within the Authority.

d. The Promotion Function

Promotional efforts to attract foreign investment are carried out by the Promotion Department, within the Research, Evaluation

and Promotion Division, and to some extent by the Statistics and Information Department which has responsibility for providing general statistical information to potential investors. The Promotion Department has only recently been constituted as a separate unit and is currently mounting new initiatives in the promotion area. Promotional efforts are also undertaken by the Deputy Chairman in his capacity as Managing Director of the Authority and as the leader of delegations to international missions and conferences.

e. The Regulatory Function

The regulatory function is the most clearly defined and widely practiced in the Authority through the management of the investment approval process and its follow-up. The grant of privileges under Law 43 is essentially a form of regulation of investment and requires the participation of almost all elements of the organization prior to the Board's decision to grant or withhold approval of an investment application. An almost exclusive concern with regulation is seen in the Investment Division's activities, which are activated after an approval is granted, and which are focused on inspection and follow-up, aiming at ensuring compliance of inland investors with the terms of each investor's permit, Law 43, and other relevant regulations. Similarly, free zone investments are monitored closely by the Free Zones Division's Inspection Department. The Legal Affairs Department frequently acts in a regulatory capacity through its review and interpretation of regulations, legal decisions, contracts, and articles of incorporation.

f. The Facilitation Function

Facilitation of the investment process through services to investors is a major function for two departments in the Investment Division (the departments which deal, respectively, with industry and service projects and agricultural and construction projects) and is a subsidiary activity for several others. The two investment projects departments assist investors in obtaining

required approvals, permits, and licenses. Similarly, they advise the investor with respect to problems faced in the procedural process of establishing an investment.

To a lesser extent, the Promotion Department within the Research, Evaluation and Promotion Division is responsible for providing a measure of assistance to investors in the process of investing in Egypt in the form of advice and assistance, during the pre-approval phases. This function is performed on a largely ad hoc basis, however.

g. The Operations Management Function

Operations management functions reside primarily in the General Secretariat which is responsible for most managerial and financial matters concerning the internal administration of the Authority. In terms of analyzing the managerial requirements of the Authority, suggesting improvements and modifications, the Training and Organization Department is also nominally mandated to fulfill this role. In actual practice, the Managing Director of the Authority exercises primary decision-making authority with respect to the management system.

APPENDIX II

ASSESSMENT OF OTHER  
INVESTMENT AUTHORITIES

APPENDIX II  
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## APPENDIX II

### ASSESSMENT OF OTHER INVESTMENT AUTHORITIES

#### A. INTRODUCTION

As we have noted in our previous report to the Investment Authority, A Priority Information Plan for the Investment Authority (PIP - March, 1980), the governments of most mixed economies have active programs to stimulate and guide investment aimed at meeting national economic development goals. These programs all include performance of six basic functions:

- Policy Elaboration and Guidance;
- Investment Planning;
- Research and Analysis;
- Investment Promotion;
- Investment Regulation; and
- Facilitation of Investors and the Investment Process.

In organizing to perform these functions, a supporting function--Operations Management--must also be carried out. As we noted in the previous report, each of these functions has associated with it a number of typical activities. These various activities are listed with the various functions in Table A-II-1.

Although all of the functions and activities identified in Table A-II-1 are performed by governments with national investment programs, they are often organized in significantly different fashion. In this appendix, we review in summary fashion the manner in which several countries have organized their national investment development programs. The investment authorities or investment centers designated to implement these national investment development programs often vary significantly in terms of institutional characteristics, operating philosophy, and the policy and economic context in which they carry out investment development activities. In addition, there are often important differences in the manner in which they carry out specific functional activities, particularly in the areas of investment promotion and facilitation.

Table A-II-1

PRINCIPAL FUNCTIONS AND ACTIVITIES PERFORMED BY GOVERNMENTS TO IMPLEMENT NATIONAL INVESTMENT POLICIES

| Function                         | Activities   |
|----------------------------------|--|
| 1. Policy Elaboration & Guidance | <ul style="list-style-type: none"> <li>a) Interpret investment policies</li> <li>b) Develop criteria for applying investment policies</li> <li>c) Review existing policies</li> <li>d) Recommend modifications to existing policies</li> </ul>   |
| 2. Planning                      | <ul style="list-style-type: none"> <li>a) Identify investment priorities, by sector and region</li> <li>b) Identify priority investment projects</li> </ul>  |
| 3. Research and Analysis         | <ul style="list-style-type: none"> <li>a) Conduct studies</li> <li>b) Compile and make available information on policy decisions</li> <li>c) Maintain information base</li> </ul>  |
| 4. Promotion                     | <ul style="list-style-type: none"> <li>a) Package information</li> <li>b) Disseminate information</li> <li>c) Respond to inquiries</li> <li>d) Persuade prospective investors</li> </ul>   |
| 5. Regulation                    | <ul style="list-style-type: none"> <li>a) Evaluate projects</li> <li>b) Approve/disapprove proposed projects</li> <li>c) Grant incentives</li> <li>d) Monitor approved projects</li> </ul>   |
| 6. Facilitation                  | <ul style="list-style-type: none"> <li>a) Guide investors in procedures</li> <li>b) Act as interagency liaison</li> <li>c) Act as troubleshooter</li> <li>d) Service special needs of investor</li> </ul>  |
| 7. Operations Management         | <ul style="list-style-type: none"> <li>a) Plan operations</li> <li>b) Maintain and train staff</li> <li>c) Operate management information system</li> <li>d) Formulate and monitor budgets</li> <li>e) Coordinate policies and programs with other government agencies and the private sector</li> </ul> |

A-II-2

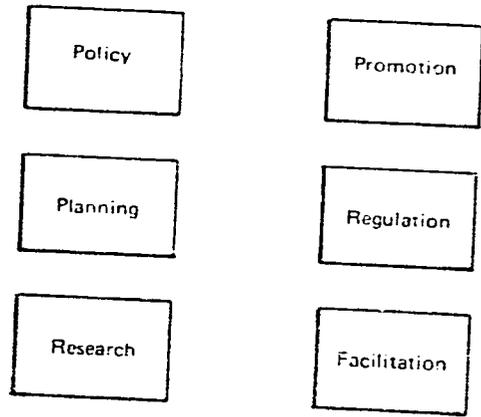
Arthur D Little International, Inc

A review of principal similarities and differences among various investment authorities and centers can provide a better understanding of the alternatives available to Egyptian officials in establishing an Investment Information Center and enhancing the current performance of the Investment Authority. It can also assist in identifying the advantages and disadvantages of various organizational and programmatic options.

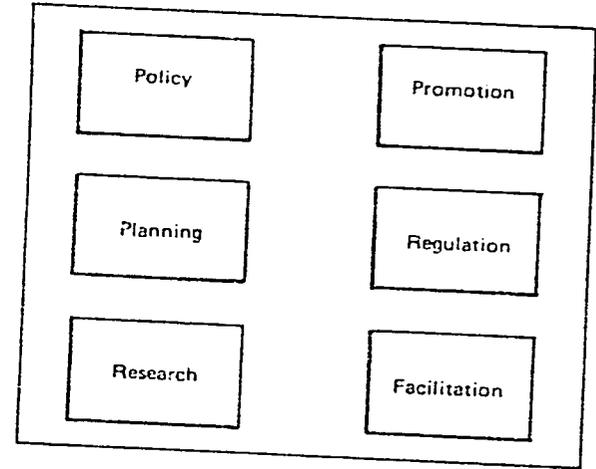
## B. ORGANIZATION OF INVESTMENT DEVELOPMENT PROGRAMS

In theory, there exist innumerable alternatives for organizing the functional activities associated with national investment stimulation and guidance. Activities could, at the one extreme, be dispersed completely throughout a number of different government agencies, with little or no coordination among those responsible for carrying out those activities. Such an arrangement is depicted graphically in the upper left-hand quadrant of Figure A-II-1. At the other extreme, as shown in the upper right-hand quadrant of Figure A-II-1, all of the functions and activities can be organized within a single agency or authority. In reality, different governments have evolved a variety of arrangements for organizing the various functions and activities, most of which fall at different points along a continuum between these two extremes. Some governments, such as Canada, have a number of bodies responsible for different functions, including a regulatory body, a promotion body, a planning agency, and so forth. Other governments, such as Ireland, have organized most, if not all, of the functions within a single recognizable "investment authority."

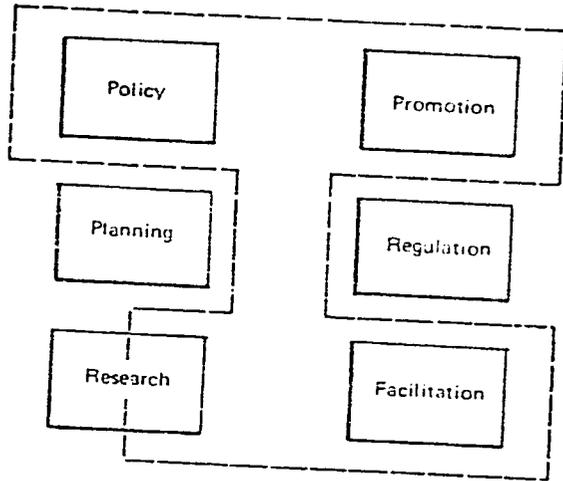
It is important to be aware of the variety of ways in which these various functions and related activities can be organized, because the nomenclature used to describe these arrangements is usually similar. As shown in Figure A-II-1, one investment authority may be performing all of the functions and related activities shown except for investment planning and direct licensing of investment projects. Another investment authority may be performing planning functions, but may not be conducting project evaluation activities under the regulatory function. These project evaluations may be carried out by personnel within the Ministry of Trade and Industry. In a third country there may be no investment authority per se; rather, the functions of the authority may be subsumed within a "development authority" which has a broader mandate than simply the promotion and guidance of private sector investment. Failure to understand the differences may lead to confusion.



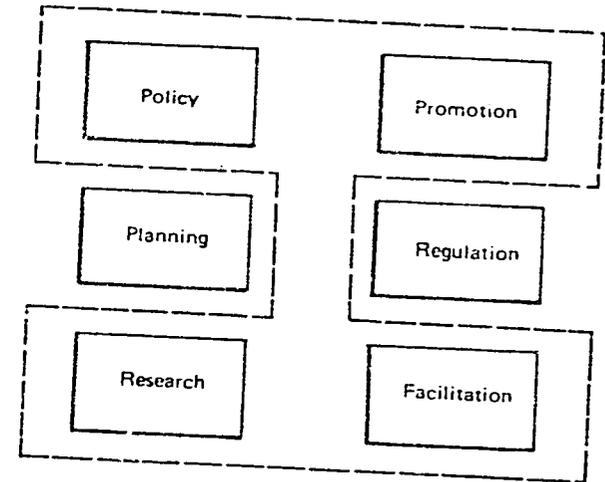
Example #1: Dispersal, Uncoordinated Functions



Example #2: All-encompassing "Super Authority"



Example #3: Typical Investment Center

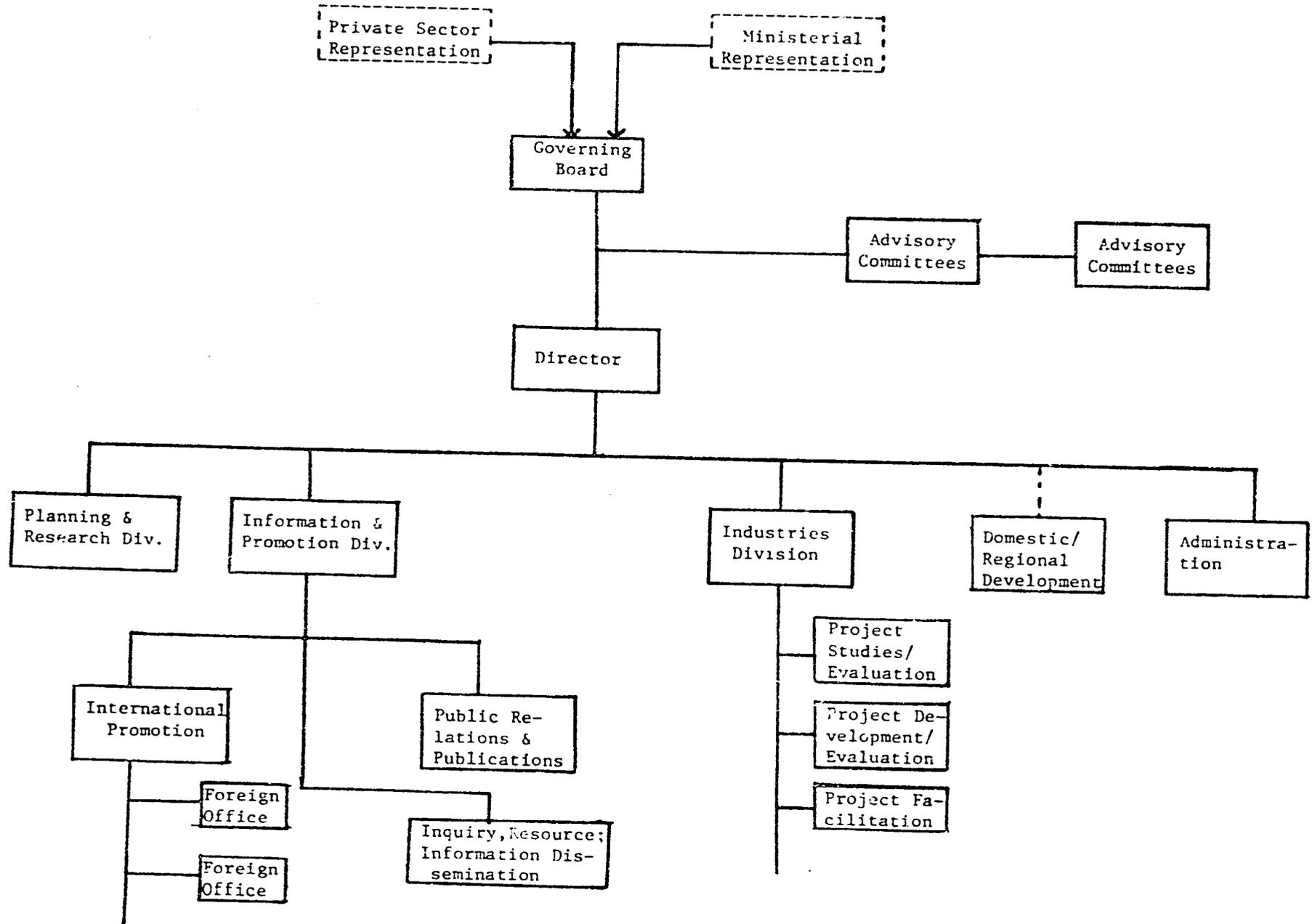


Example #4: Investment Authority Lacking Planning Function; Regulates Only Incentive Grants

FIGURE A-II-1 VARYING ARRANGEMENTS FOR ORGANIZING FUNCTIONS AND ACTIVITIES ASSOCIATED WITH INVESTMENT POLICY IMPLEMENTATION

Typically, as shown in Figure A-II-2, investment authorities include both private sector and public sector representation on their governing boards. Governing boards generally have a series of advisory committees which advise the board on specific substantive matters requiring specialized knowledge, experience, or expertise. A managing director will be responsible for day-to-day operation of the investment authority, with direct reporting responsibilities to the governing board. Frequently, the managing director occupies a seat on the board.

TYPICAL INVESTMENT AUTHORITY STRUCTURE



A-II-7

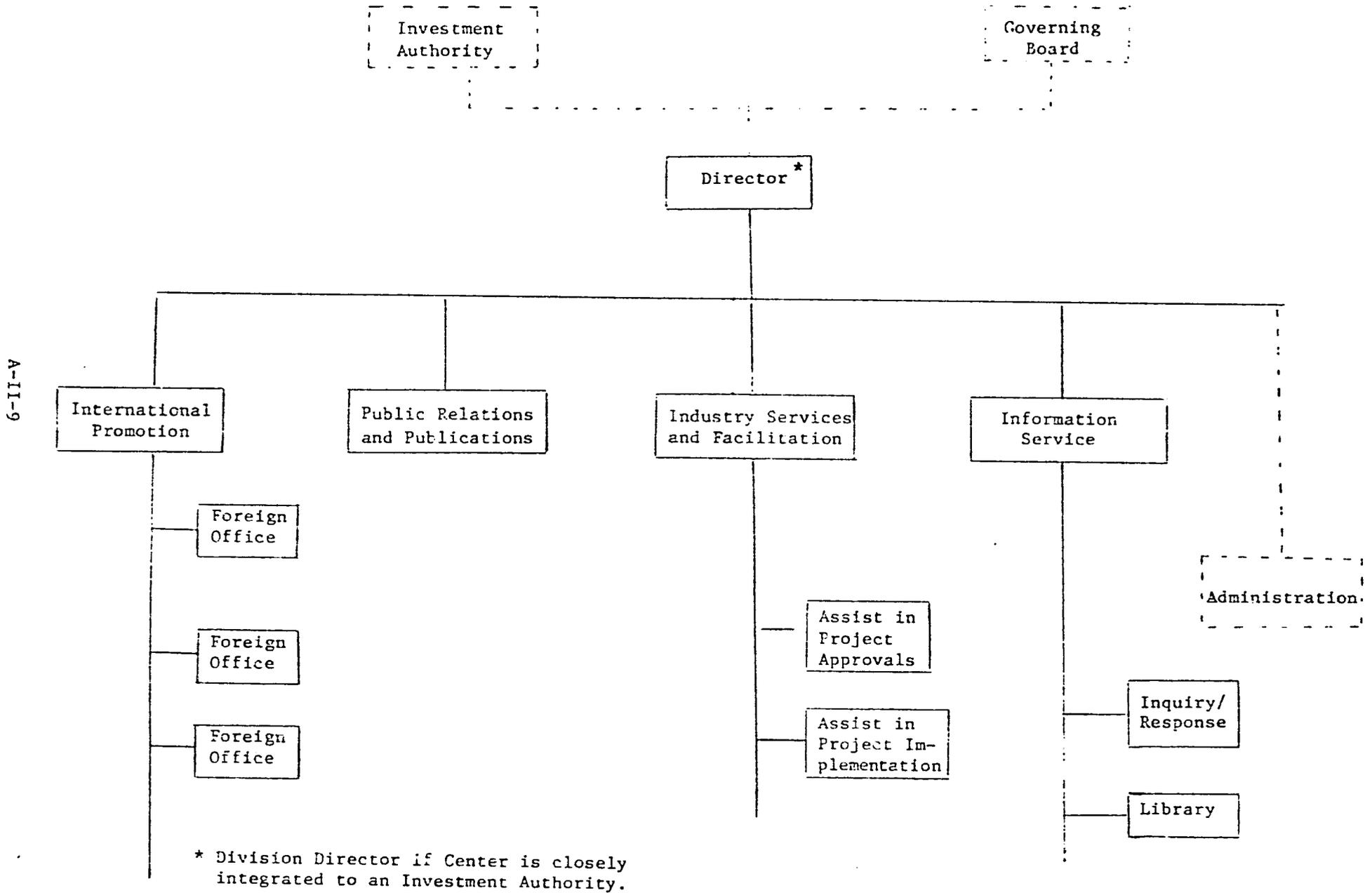
In investment authorities which have a full range of functional responsibilities, there will typically be four or five functionally specialized divisions reporting to the managing director, each headed by a divisional director: Planning and Research, Information and Promotion, Industries, Domestic/Regional Development, and Administration. Within the Information and Promotion Division, there will be a further breakdown between departments responsible for international promotion (through foreign offices), development and production of promotional and public relations materials, and information services (inquiry/response, information dissemination). In some authorities, international promotion may be separated out as a distinct division.

Within the Industries Division, there typically exist departments responsible for (1) the undertaking of project feasibility studies and/or evaluation of individual project feasibility studies prepared by prospective investors, (2) the development and evaluation of new project ideas, such as priority industry projects, and (3) investor services or project facilitation during the application and post-application processes. Again, the exact organization of these various functions within an Industries Division will vary among existing authorities.

In some investment authorities, there will be an additional division responsible for domestic and regional development. This division will coordinate services for domestic investors and will also administer land bank programs and other programs to improve physical infrastructure and site attractiveness for individual investors. Finally, of course, most investment authorities have an Administration Division with financial, personnel, and internal operations management responsibilities.

As shown in Figure A-II-3, an investment center will generally be headed either by a managing director who reports to a governing board (in the case of an autonomous organization) or a divisional director who reports to the managing director of an investment authority (in the case of a center closely integrated with an investment authority). The typical investment center will have four or five divisions: International Promotion, Public Relations and Publications (promotional materials), Industry Services and Facilitation, Information Services, and Administration (in the case of the autonomous center).

TYPICAL INVESTMENT CENTER STRUCTURE



\* Division Director if Center is closely integrated to an Investment Authority.

A-II-9

### C. EXAMPLES OF SPECIFIC INVESTMENT AUTHORITIES AND INVESTMENT CENTERS

Table A-II-2 illustrates some of the similarities as well as the differences in the way that individual nations have organized the functional activities associated with implementation of national investment policies. The table coincidentally describes key structural and functional characteristics of ten important existing investment authorities or centers around the world. These ten authorities were among more than 15 national organizations which were initially reviewed in summary fashion in the early stages of this study.

In four of the ten countries, the principal implementing agency for national investment policies is a clearly defined investment authority. In two countries--France and the Republic of Korea--there is an economic development authority responsible, not only for investment policies and planning, but for general national economic development planning as well. In these six countries with a clearly defined development or investment authority, functions of an investment center are included within the authority. There is no organizationally distinct investment center.

In Panama and India there are no investment authorities as such. Panama and India do, however, have investment centers, responsible for promotion, facilitation, and, to some extent, research and analysis. In India, the investment center is an autonomous government-funded body. In Panama, the investment center is a bureau within the Ministry of Foreign Commerce.

Israel has both an investment authority and an investment center coordinated through overlapping membership in their respective boards. However, in Israel the generally used nomenclature is reversed: the investment authority is responsible for investment promotion, while the investment center is responsible for domestic facilitation, research, and regulation. In Canada, there is no investment authority or investment center. Rather, investment policy implementation is a multi-agency responsibility, shared by the Ministry of Industry, Trade and Commerce, the Department of Regional Expansion (DREE), and the Foreign Investment Review Agency.

The investment authorities and related investment centers vary significantly in the size of their annual operating budgets, from the Irish Industrial Development Authority's \$26 million down to the Panama Investment Center budget of about \$1 million. Staff size similarly varies significantly, from Ireland's staff of 650 down to the staff of 25 in the .

TABLE A-11-2

HOW SPECIFIC GOVERNMENTS HAVE ORGANIZED TO IMPLEMENT NATIONAL INVESTMENT POLICIES

|   | <u>IRELAND</u>                   | <u>SINGAPORE</u>                        | <u>MALAYSIA</u>                         | <u>INDIA</u>   | <u>FRANCE</u>                                |
|---|----------------------------------|---|---|--|--|
| Organizational Arrangement for Investment Policy Implementation | Investment Authority             | Investment Authority                    | Investment Authority                    | Investment Center  | Regional Economic Development Authority      |
| Name of Principal Investment Agency(s)                          | Industrial Development Authority | Economic Development Board              | Federal Industrial Investment Authority | Indian Investment Center   | French Industrial Development Agency (DATAR) |
| Govt. Agency (G) or Independent Authority (I)                   | I                                | I                                       | G                                       | I  | G  |
| Reporting Requirements within the Government                    | Reports to Ministry of Commerce  | Reports to Ministry of Trade & Industry | Reports to Ministry of Trade & Industry | No Direct Requirements--Ministerial Representation on Agency Board | Reports to Prime Minister                    |
| Operating Budget (Million U.S. \$)                              | \$26.0                           | \$5.5                                   | \$9.0                                   | N.A.   | N.A.   |
| Approximate Staff Size  | 650                              | 170                                     | 340                                     | 120  | 40   |
| Civil Service Status of Staff                                   | Yes                              | Yes                                     | Yes                                     | Yes  | Yes  |
| <u>Investment Agency Responsibility for Specific Functions</u>  |                                  |   |   |  |  |
| - Policy Elaboration and Guidance                               | Yes                              | Yes                                     | Yes                                     | Yes  | Yes  |
| - Investment Program Planning                                   | Yes                              | No                                      | No                                      | No   | Yes  |
| - Research & Analysis   | Yes                              | Yes                                     | Yes                                     | Yes  | Yes  |
| - Promotion   | Yes                              | Yes                                     | Yes                                     | Yes  | Yes  |
| - Regulation  | Yes (incentives only)            | Yes (incentives only)                   | Yes                                     | No (regulation handled by other agencies)                          | Yes  |
| - Facilitation  | Yes                              | Yes                                     | Yes                                     | Yes  | Yes  |
| Number of Foreign Offices                                       | 16                               | 12                                      | 7                                       | 4  | 12   |

A-11-1)

TABLE A-II-2 (Continued)

HOW SPECIFIC GOVERNMENTS HAVE ORGANIZED TO IMPLEMENT NATIONAL INVESTMENT POLICIES

|   | <u>THAILAND</u>           | <u>KOREA</u>  | <u>CANADA</u>  | <u>ISRAEL</u>   | <u>PANAMA</u>                               | <u>EGYPT</u>   |
|---|---------------------------|---|--|---|---|--|
| Organizational Arrangement for Investment Policy Implementation | Investment Authority      | Economic Planning Authority/Bureau within Planning Authority                | Multi-agency   | Investment Center/Investment Authority                    | Bureau within Ministry of Commerce          | Investment Authority                                 |
| Name of Principal Investment Agency(s)                          | Inst Board of Investment  | Economic Planning Board (EPB)/Bureau of Foreign Investment Promotion (BFIP) | Fed. Dept. of Regional Expansion (DREE); Foreign Invest. Review Agency (FIRA); Min. of Industry, Trade, & Commerce (ITC) | Israel Invest. Ctr. (IIC); Israel Invest. Authority (IIA) | Foreign Investment Center (FIC)             | Investment and Free Zone Authority                   |
| Govt. Agency (G) or Independent Authority (I)                   | G                         | G   | G  | G   | G   | G  |
| Reporting Requirements within the Government                    | Reports to Prime Minister | Headed by Minister of the Economy   | Diverse  | Reports to Minister of Finance & Commerce and Industry    | Responsible to Minister of Foreign Commerce | Headed by Minister of Planning, Finance, and Economy |
| Operating Budget (Million U.S. \$)                              | N.A.                      | N.A.  | --   | N.A.  | \$1.0                                       | N.A.   |
| Approximate Staff Size  | 200                       | 800 (25 in Bureau of Foreign Investment Promotion)                          | --   | 0   | 67  | N.A.   |
| Civil Service Status  | Yes                       | Yes   | Yes  | Yes   | Yes   | Yes  |
| <u>Investment Agency Responsibility for Specific Functions</u>  |                           |   |  |   |   |  |
| - Policy Elaboration and Guidance                               | Yes                       | Yes   | Yes  | Yes   | Yes   | Yes  |
| - Investment Program Planning                                   | Yes                       | Yes (EPB)   | Yes (DREE)   | No  | No  | Yes  |
| - Research & Analysis   | Yes                       | Yes   | Yes (DREE; ITC)  | Yes   | Yes   | Yes  |
| - Promotion   | Yes                       | Yes (BFIP)  | Yes (ITC)  | Yes (IIA)   | Yes   | Yes  |
| - Regulation  | Yes                       | Yes (EPB)   | Yes (FIRA)   | Yes (IIC)   | No (regulation handled by other ministries) | Yes  |
| - Facilitation  | Yes                       | Yes (BFIP)  | Yes (DREE, ITC)  | Yes (IIC)   | Yes   | Yes  |
| Number of Foreign Offices                                       | 3                         | *   | *  | 12  | 3   | *  |

\* Foreign representation by commercial consular officials or other diplomatic officers.

A-II-12

Korean Bureau of Foreign Investment Promotion. But these variations are not too meaningful, since in many cases the functional responsibilities of the investment authorities are much broader than those of the investment centers and the functional responsibilities of the different authorities can vary as well.

All of the authorities and centers have responsibilities for policy elaboration and guidance. Coordinated investment program planning activities, however, are carried out within the authority only in Ireland, France, and the Republic of Korea. In Canada, investment program planning is coordinated by the federal regional development body--the Department of Regional Economic Expansion (DREE)--but DREE does not have responsibility for other typical investment authority functions. All of the investment authorities and centers have functional responsibilities for technical research and analysis, investment promotion, and investment facilitation. With respect to investment regulation, the centers in India and Panama do not handle investment regulation. The investment authorities in other countries do have responsibility for some degree of regulation of investment, either through approvals for incentives or through direct control over investment project licensing.

#### D. "INITIATIVE" VERSUS "RESPONSE-BASED" MODELS FOR INVESTMENT ORGANIZATIONS

Based on the review of investment authorities and centers described in the previous section, we have identified two basic models for investment development and promotion organizations: an "initiative" type organization and a "response-based" type organization. An "initiative" type organization is one which literally takes the initiative in specifying investment development and promotion goals, in identifying opportunities for attracting and assisting investors, and in aggressively persuading investors to undertake investments. A "response-based" organization is one which tends to have general investment development and promotion goals and which exists to respond to and service investor needs. The initiative organization makes a strong attempt to create and shape the nature of additional demand for its services; the response-based organization generally responds to existing demands for its services.

None of the existing investment authorities or centers reviewed during the course of this study are purely initiative or response-based organizations in all aspects of their organization and operations. Most investment organizations combine characteristics of both an initiative and response-based organization. Generally, however, an investment authority or center can be adjudged as being more one sort of organization than the other. It is not necessarily better to be more initiative than response-based or vice-versa. It is important, however, to develop a type of organization which is appropriate to investment policy goals and objectives; the existing social, political, and cultural milieu in which an organization is operating; and to the human resources available to staff an organization. It is also important that the organization should design and implement programs which are basically compatible with policy goals, the institutional milieu, and staff resources.

As shown in Table A-II-3, initiative organizations tend to be most appropriate for nations which have economies which are rapidly expanding and on the verge of reaching full industrialization. These nations similarly have "open" national policies on foreign investment; that is, they strongly encourage foreign investment, perceive foreign investment as a critical component of their future economic growth, and impose few restrictions on the

TABLE A-II-3

"INITIATIVE" VERSUS "RESPONSE-BASED"  
MODELS FOR INVESTMENT ORGANIZATIONS

EXTERNAL POLITICAL/ECONOMIC CONTEXT

Initiative Organization

- Economy on the verge of full industrialization
- "Open" national policy on foreign investment

Response-Based Organization

- Developing economy or mature post-industrial economy
- "Selective" national policy on foreign investment

GENERAL CHARACTERISTICS

Initiative Organization

- Independent, autonomous agency
- Private-sector style of management/decision-making
- Individual initiative encouraged and rewarded
- Informal procedural style
- Precise measurement of performance
- Sizeable budget (in per capita terms)
- Diverse and innovative programs
- Private-sector background and orientation of staff

Response-Based Organization

- Government agency or bureau
- Public-sector style of management/decision-making
- Conformance to established institutional procedures encouraged and rewarded
- Formal procedural style
- Informal measurement of performance
- Modest budget (in per capita terms)
- Basic, well-established programs
- Public-sector background and orientation of staff

nature for foreign investment or the manner of foreign corporate operations within the country. Examples of such countries would include Ireland and Singapore.

Investment authorities or centers which are predominantly response-based in nature tend to be most appropriate for nations with developing economies or economies which have reached the post-industrial stage. In such economies, foreign investment may be considered only marginally important for successful economic performance, or the government may have determined that only certain types of foreign investment are desirable for the successful development of the country, or the nation's industry may have reached a stage where government assistance to attract investors is of only marginal necessity. Examples of such countries would include France, Canada, India, and South Korea.

As shown in Table A-II-3, initiative organizations tend to occur in institutional and cultural settings where individual initiative is encouraged and rewarded. In such settings, the private sector ethic will be strong and available staff will likely have private-sector background and orientation. Moreover, the investment authority or center is likely to be given a large degree of autonomy from the rest of the government institutional structure in planning and implementing its policies and programs. Partly as a result of these factors, such authorities or centers tend to have informal operating styles, diverse and innovative promotional and facilitative programs, a sizeable budget, and precise measurements for individual performance within the organization.

Response-based organizations, on the other hand, tend to be most appropriate in institutional and cultural settings where conformance to established institutional procedures and norms is encouraged and rewarded, where the dominant public ethic is community, socialistic, or public-sector-based, and where the investment authority or center is a government agency or bureau tightly tied into the rest of the government structure. These factors produce authorities or centers which have rather formal procedural styles; basic, traditional programs for investment promotion and facilitation, a less generous operating budget, and less formal and rigorous means for measuring individual performance within the organization.

In their operating styles, initiative and response-based organizations differ noticeably. As noted in Table A-II-4, initiative organizations encourage staff members at all levels of the organization to interpret investment policies to potential investors and to contribute to the on-going refinement and elaboration of policies during the process of implementation. This does not mean that staff is given unlimited authority to make interpretations of policy; rather, staff members are encouraged to discuss policies based on general guidelines provided by top-level management.

Response-based organizations, on the other hand, maintain responsibility for policy elaboration and guidance among a small group of top administrators of the organization and require close adherence to top-level policy guidelines by those at more junior levels within the organization hierarchy. Junior staff are not encouraged to interpret the application of policies in particular situations on their own initiative; rather, they are instructed to utilize the specific language of top-level directives or to consult a more senior administrator for specific guidance.

In the area of investment facilitation, initiative organizations most frequently utilize the project-executive approach to facilitation, in which one individual assumes primary responsibility for assisting an investor through the entire investment process, from pre-application inquiries to post-investment follow-up. Project executives are trained to be sensitive to the personal and cultural style of their investor clients; that is, they are trained to be sensitive to the peculiarities of foreign investor negotiating styles, ways of conducting business, and so forth. In such organizations, facilitation of investors is perceived as a means and opportunity for "selling" the investor on investing in the country--as an additional promotional tool. An active attempt is made to anticipate the needs of investors and the problems they will encounter prior to their emergence as "problems." In this way, investor frustration is minimized, and investor confidence and trust in the ultimate value of investing in the country increased.

Because of the private-sector orientation of the staff in initiative organizations, project executives generally attempt to work around bureaucratic "red tape" which may be encountered within other governmental institutions. They attempt to develop new channels for negotiations, approvals, or the gaining of information which may be faster than traditional channels. Initiative organizations often provide a wide range of financial incentives to potential investors, and permit their project executives or promotional personnel wide discretion in making tentative and sometimes binding commitments to investors concerning the incentives which an investment authority may be willing to provide.

TABLE A-II-4

OPERATING STYLES OF "INITIATIVE" AND  
RESPONSE-BASED MODELS FOR INVESTMENT ORGANIZATIONS

POLICY ELABORATION AND GUIDANCE

Initiative Organization

- Carried on at all levels of organization
- Individual improvisation encouraged

Response-Based Organization

- Responsibility of top levels of organization
- Close adherence to top-level policy directives required

INVESTMENT FACILITATION

Initiative Organization

- Utilizes project-executive approach
- Adapts to "personal style" of client
- Anticipates investor needs and problems
- Works around bureaucratic "red tape"
- Develops flexible, wide-ranging incentive programs
- Permits wide discretion to executives to make specific incentive commitments

Response-Based Organization

- Dispersed responsibility for client facilitation
- Utilizes measured "servicing" techniques
- Responds to investor needs and problems after they are evident
- Recognizes and works within bureaucratic "red tape"
- Provides limited flexibility and range in incentive programs
- Limits discretion to project executives for incentive commitments

TABLE A-II-4 (continued)

INVESTMENT PROMOTION

Initiative Organization

- Aggressive sales effort
- Focused promotional efforts
- Wide mix of techniques/emphasis on individual company contacts
- Many foreign offices
- Decision-making autonomy for foreign offices
- Frequent communications between home office and foreign offices

Response-Based Organization

- Response-oriented sales effort
- Generalized promotional efforts
- Standard promotional approaches/emphasis on seminars, conferences, direct mailings
- Few foreign offices
- Home office control over foreign office activities
- Periodic communications between home office and foreign offices

In the area of investment facilitation, response-based organizations often choose to shift responsibility for investor facilitation from one functional unit to another within the organization depending on the stage of the investment process. There is no single project executive with prime responsibility for investor facilitation throughout the investment process. Staff of response-based organizations tend to maintain the personal and cultural style of the host country in dealing with foreign investors and to be less highly trained in responding to the peculiarities of foreign investor business styles. Facilitation tends to be carried out utilizing measured "servicing" techniques, in which appropriate activities are undertaken in response to an evident investor need for assistance which the investor client has brought to the attention of staff members. Facilitation is seen less frequently as an opportunity for "selling" or persuading the investor client of the benefits of investment within the country.

Response-based organizations are sensitive to the rationale lying behind bureaucratic "red tape" and for the need to follow established institutional procedures if activities are to be effectively carried out. Such organizations also tend to have fairly fixed financial incentive programs. As a result, they do not need to permit a wide range of discretion to individual staff in making immediate commitments to potential investors concerning the particular incentive package which may be made available.

In investment promotion, initiative organizations encourage an aggressive marketing approach, in which promotional activities are carefully focused on potential investor groups likely to yield the most investors in the industrial areas most desired by the investment authority. While a wide mix of marketing techniques are employed, initiative organizations tend to emphasize individual company contacts, often at a high executive level, as the most effective means for promoting interest in foreign investment.

Initiative organizations usually have a relatively large number of foreign offices. They permit foreign office personnel a large degree of autonomy in developing marketing programs and deciding on the most effective means for utilizing promotional resources within the foreign country. This is based on the judgment that experienced personnel in the foreign offices will be most knowledgeable about the particular mix of techniques and approaches which will work most effectively in that particular foreign market. At the same time as foreign office personnel are provided with a

large degree of decision-making autonomy, initiative organizations stress the need for frequent communications between home offices and foreign offices, to insure proper global coordination of promotional efforts.

Response-based organizations are, naturally enough, more response-oriented in their promotional efforts. Rather than attempting to create new market opportunities, such organizations often can be perceived responding to the demands of potential investors who have made initial contact with the investment authority. Alternatively, promotional efforts undertaken by the organization are geared towards stimulating broad-based generalized interest in investment prospects within the country, out of which individual investor prospects may emerge to make contact with the investment authority or center. As a result, promotional efforts are geared more around seminars, conferences, direct mailings, and general media placements, rather than direct and personal company contacts.

Response-based organizations tend to have fewer distinct foreign offices, preferring to rely on representation by commercial diplomatic officers within foreign consulates. They exert much greater home office control over the activities of foreign office personnel than would be the case in initiative organizations.

As we noted above, the initiative organization and the response-based organization are conceptual models; in reality, there is no such thing as a purely initiative or purely response-based organization. The concept can be useful, however, in assisting the management and staff of investment authorities and centers to clarify the kind of operating style and internal structure which is most appropriate to their policy goals and objectives and to the institutional and human milieu in which they are operating.

In Egypt's case, for example, it is likely that the Investment Authority and the Investment Information Center would ideally contain a mixture of both initiative and response-based operating styles and organizational structures. Egypt considers foreign investment as critical for successful development, yet the Government desires to maintain selective control over the types of investments permitted. Egypt's administrative and managerial class has worked for many years with an important public-sector orientation; interest in private-sector management techniques and style is increasing among Egypt's

administrators, but the public-sector orientation remains strong. The Investment Authority is a government agency, and must operate closely linked to other Egyptian government institutions, yet the Authority has a mandate which requires it to pursue programmatic goals heavily oriented to the private sector.

All of this suggests that the Investment Authority should proceed gradually in the direction of selective adoption of techniques and approaches characterized as "initiative" in nature, while remaining sensitive to the history of the organization as a response-based organization and the institutional context in which the Authority must continue to operate in the future.

APPENDIX III

INFORMATION SERVICES

APPENDIX III

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## APPENDIX III

### INFORMATION SERVICES

#### A. INTRODUCTION

Information Services address themselves to the non-regulatory and non-policy activities of the Authority that are most lacking at present and may therefore be thought of as the core of the IIC. The department which provides these services is included in both design alternatives. In the Basic Design, in fact, Information Services constitute practically the entire scope of the Investment Information Center. (The only other department in the Basic Design is the Regional Offices Department.)

Under both designs for the IIC Information Services is a self-contained department consisting of three interrelated units--Inquiry Services, Library Services and Data Services. As their names imply, these units provide support activities to both the investor and the Authority--as well as other government agencies engaged in the investment development process who may call on Information Services.

The responsibilities of each unit have been carefully delineated so that each has a unique set of products or services to deliver. As the descriptions of each unit point out, it is extremely important that the three units work closely with one another and that they become well integrated with the rest of the Authority. Grouping them together under one department, as suggested in both designs, should help facilitate meeting these objectives.

## B. INQUIRY SERVICES

Responding to general inquiries concerning investment-related matters is one of the principal functions of an investment information center. It is of key importance because for many potential investors it represents the first point of contact (either personal or via mail) with authorities responsible for investment development and regulation. As such, the nature and quality of the response provided to investors to a large extent determine how favorably impressed the prospective investor is with the region.

The Inquiry Services unit, within Information Services, would be responsible for responding to a broad range of types of questions, including questions concerning government operations, investment laws, regulations, and administrative interpretations, the nature of the investment approval process, the types of incentives available, various aspects of the investment climate in the country, and the relative availability of joint venture partners or consultants.

In face-to-face dealings, the staff of Inquiry Services should be capable of making a prospective investor feel welcomed, respected, and at ease. Facilities should be modern, well-appointed, and comfortable, arranged in a professional and business-like manner. In responding to investors by mail or telephone, the key to successful operation is prompt response.

In both cases, staff of Inquiry Services should make an active and creative effort to identify and respond to the needs of the prospective investor for information. This kind of response activity involves education of the investor, not simply the dissemination of limited information in strict response to the expressed request of the investor. To the extent that Inquiry Services staff make an active attempt to assist the investor in identifying his or her needs for information and meeting those needs promptly and effectively, potential investors are much more likely to be favorably disposed to the Investment Authority and to the prospects of investing in Egypt.

1. Principal Activities

The principal activities of Inquiry Services include the following:

- Collect and store published investment information such as brochures, leaflets, booklets, studies, application forms, instruction and investment guides;
- Meet with potential investors or their representatives and provide them with appropriate forms, brochures, and other materials;
- Respond, to the extent possible, to specific inquiries and channel inquiries to other units of the Investment Information Center, the Investment Authority, or other government agencies as appropriate;
- Provide a reception and first contact service for the Investment Information Center; and
- Provide feedback to the Investment Information Center and the Investment Authority on the nature of inquiries, information desired, publications required, complaints registered and improvements needed in providing inquiry services.

2. Principal Outputs

The principal work outputs of Inquiry Services include:

- Individualized responses to inquiries by potential investors;
- Distribution to investors of investment application forms and published investment information in the form of brochures, booklets, pamphlets, annual reports, and the like;
- Guidance to potential investors concerning the investment process in Egypt, and the next steps to follow in applying for approval of a proposed investment project;
- Referral of potential investors to other personnel in the Investment Authority or elsewhere in the Government or the private sector for guidance on the investment process in Egypt; and
- Feedback to others in the Investment Authority on investor needs and requirements.

3. Data, Facilities, and Other Requirements

The principal data requirements for effectively implementing Inquiry Services include the following:

- National development plans;
- Status reports on national plan implementation;

- Information on Egyptian investment policies and programs, orders, laws and acts (both actual laws and their interpretation);
- Administrative manuals for key government agencies;
- National statistics, economic, social, and industrial;
- Summary data on domestic technology;
- Summary data on domestic markets;
- Summary information on the structure of the Egyptian economy, Egyptian industry, and the Egyptian financial community;
- Summary data on the character of Egyptian infrastructure; and
- Domestic and foreign joint venture lists.

Much of this information would be stored in the library for ready access by the Inquiry Services staff.

In addition, Inquiry Services require publications and other promotional materials to distribute to interested investors, including brochures, guidebooks, pamphlets, newsletters, annual reports of the Investment Authority, special studies, and blank application forms and instructional booklets.

Key facilities required by Inquiry Services include a reception area (with reception desk and lounge area for prospective investors), display racks for publications and promotional materials, meeting rooms, a large conference room (to be shared jointly with personnel responsible for investment facilitation), and a utility area with mail, telex, and xerox equipment.

#### 4. Principal Users

The principal users of Inquiry Services would be, of course, individual prospective investors seeking information on investment-related matters. In addition, other personnel within the Investment Authority would benefit from the feedback provided by Inquiry Services personnel concerning investor characteristics, needs, and requirements.

#### 5. Staff Requirements and Qualifications

Inquiry Services staff would consist of an administrative supervisor, senior and junior professionals, and support personnel. The professional staff should have academic degrees in law, business, or public administration. Senior staff should have more than five years experience with the

investment Authority or in related work outside the Authority. Staff members should have foreign language capabilities (English and ideally, one or more other languages). They should possess an ability to communicate easily with others, and should be capable of researching factual information in an aggressive and resourceful fashion. They should be thoroughly familiar with the basic facts concerning the Egyptian economy and the investment process; Law 43 policies, rules, and procedures; and Egyptian Government operations and organization.

### C. LIBRARY SERVICES

The library and the services associated with it would be a key component of the Information Services.

#### 1. Principal Activities

Library Services is a production and a service operation. Its staff are experts at creating information outputs, and managers able to work in the overall organization to guarantee use of these outputs. Library Services assists Authority staff to satisfy their own mission-related information functions and Library Services, in turn, keeps abreast of the Authority's changing needs. Coordination among Library Services, the divisions and the general departments keeps Library Services' outputs relevant in substance and form and assures continued usage of the Library Services. Information at the needed level of detail is identified or created through Library Services indexing. Fundamental to these service functions is the creation and maintenance of a first-class collection of published and unpublished materials relevant to the Authority's needs, together with the know-how to get from elsewhere--in Cairo and the world--needed materials not feasible to have in its own collection. Unpublished materials in the Library Services collection may be thought of as a data-bank which the Library staff will be continuously developing and reviewing in close coordination with other staff of the Authority.

#### 2. Principal Outputs

Library Services would provide three types of outputs:

- "On demand" answers to questions or studies. One of its principal forms of service would be as an adjunct to other Authority staff who discover information needs in the midst of completing assignments. Under these circumstances, Library Services would--either immediately for short questions or on a planned basis for longer studies--locate information that staff requests and deliver it in mutually agreeable form.
- Ongoing information services. The Library Services indexing-data bank development and maintenance program is an ongoing information activity carried out to render existing information

accessible for Authority projects. In addition, other shorter projects are performed to improve users' access to and knowledge of Library Services' outputs. These include maintenance of a clipping file for key newspapers; publication of booklists; maintenance of files of special unusual information sources (such as the types of indexes available in special institutes in Cairo).

- "Custom" regular information services. The Library Services would also perform ongoing services directly for Authority staff. For divisions and general departments Library Services would tailor a current awareness service, in which an interest profile of division information needs is created, and the division is then informed each month of new Library Services acquisitions, or newly-available information on specific subjects, or recent press announcements of development initiatives which meet such defined needs. These services include such items as:

- .. Lists of exactly what is available in many of the key kinds of information sources used by Authority staff-- for example, the available sector studies, prefeasibility studies, development institution or agency newsletters, brochures and reports.
- .. Critical reports (either in brief write-up form or available through consultation with Library Services staff) on the nature and scope of existing statistics on any of the data elements in the data bank.
- .. Advice on possible sources for tracking down information. In this activity the Library Services would assist Authority divisions and general departments to identify and acquire information which must be collected by the division or department itself. This could involve, for example, investment manuals which would be listed in the Library Services catalog of all Authority sources, and possibly indexed as well, but would be located for ready use in one of the divisions.

### 3. Principal Resource Requirements

- Primary resources: books, journals, newspapers, directories, official documents (tax codes, legislation), technical reports, pamphlets, annual reports, and such other publications as equipment catalogs, and newsletters. Sources would include government agencies, international agencies, commercial publishers, development and educational agencies, and manufacturers in Egypt, potential investor countries, and countries of interest for comparison of a range of market or technological conditions. This part of the collection would focus on national policies and programs; decrees, laws, and acts; and on the statistical materials provided by the Data Services unit.

- Secondary sources: primarily library reference materials (published indexes and bibliographies) which the Library Services would use to locate information which could not be found using its own index to the collection. Library Services would have two kinds of secondary sources. One would be printed indexes when their coverage of certain subjects complements the indexing performed by Library Services staff and they cover materials or subjects held in depth by the Library Services. Among these are some of the most sophisticated and fairly costly of the recent new information products produced in western Europe and the United States. When these would add significantly to Library Services' capabilities--for example, to identify sources of equipment or raw materials--they would be obtained. The other kind of secondary source would be newsletters, journals, publishers' catalogs, and other kinds of current awareness services produced for information centers. These would be purchased particularly for subject areas in which currently available data is inadequate or sparse, since these sources would enable Library Services to complement the efforts of other Authority staff whose main function is to develop sources for hard-to-find information.
- Tertiary sources: these are resources of two types:
  - (a) information (or persons) outside the Library Services collection itself about which Library Services staff would be familiar and to which it would have ready access, and
  - (b) the data bank which Library Services would be building, based on a special index keyed to the Authority's needs. At some point, it is likely that a minicomputer would be used to maintain this index.

#### 4. Principal Users

Users of Library Services would fall in four categories:

- Staff of the Investment Authority;
- Investors;
- Staff of government agencies and regulatory bodies; and
- Staff of international organizations.

All staff of the Authority would be potential users of Library Services. Examples of particular kinds of service of special use to certain divisions and general departments are listed below.

For the Research, Evaluation and Promotion Division, Library Services would have:

- Structural and market information about industry areas for studies of investment opportunities and project analyses;
- Facts about participants in industries of interest (revenues, officers, offices, etc.);
- Background information on aspects of Egyptian business and cultural climate for brochures; and
- Responses to specific information requests for data to incorporate information included in investment applicants' submissions.

For the Investment Division, Library Services would have institutional information about the investment climate in Egypt--official statements and write-ups of business regulation and practice and investment policies.

For the Free Zones Division, Library Services would offer information to assist with formulation of financial, managerial and technical regulation; in the preparation of studies of opportunities; and license, fee, and permit-related studies.

For the Data and Inquiry Services activities, Library Services would have available macrostatistics on the Egyptian economy and foreign trade, as well as a wide range of basic journal resources (both trade and academic).

##### 5. Staffing Requirements and Qualifications

Four basic types of staff would be required for effective Library Services operations:

- a. Individuals who would be responsible for actually doing the indexing. We anticipate that two librarians (professionally trained in library school and preferably having a few years' experience) would be needed to perform this function. At least one of these should be bilingual in English and Arabic.

These two individuals also would be responsible for performing the materials administration functions so important in Library Services. They would catalog books, direct the clerk in preparing

materials for circulation, do at least a portion of the reviewing of publishers' announcements, searching for new information sources in hard-to-find areas, and answering staff's specific factual questions.

- b. An individual with considerable experience actually performing research--preferably with background both in economics and in using an extensive research collection in economics or development. The indexing system at the heart of Library Services would be difficult for the librarian/information scientists to apply to new library materials on the level of detail required by the system. Until the librarians had one or two years' experience in answering project analysis-related questions, they would be unable to anticipate users' information needs specifically enough to recognize all the data elements under which new materials should be indexed. The research-oriented person on the staff must therefore have the background to help the librarians to bridge this experience gap and also to assist in the considerable job of having regular communication with the users. This individual would be in regular touch with staff of such departments as Evaluation, Promotion, and Research to ask questions about how the types of projects being assessed are changing over time and therefore how the departments' needs from Library Services were likely to shift.
- c. A senior individual with knowledge of the investment development process as it is carried out in the Authority. He would be the Director of Library Services. This individual would be responsible for guiding the efforts of Library Services, interpreting its needs and utility on the highest level of the Authority. He would also serve the role of Authority representative in determining how critical kinds of information not presently developed or widely distributed by other government agencies can be obtained. His

ability to relate on a policy level to senior people in other government agencies would complement the levels of expertise and natural sets of peers of his other staff. The Director of Library Services in his administrative role would establish objectives (quantitatively-based) for Library Services performance and assure that both user departments and Authority management understood the meaning and value of Library Services to their own staff's productivity.

- d. A clerk. This person should have been trained to the baccalaureate level or have several years' experience in a position in which he was responsible for keeping track of a complicated inventory and relating to a wide range of professional staff. This individual would have the following kinds of duties: checking materials into and out of Library Services, preparing and sending overdue notices, receiving new periodicals and checking them into the Library Services record-keeping system to assure that materials expected are received.

#### 6. Facilities and Equipment Requirements

Library Services would need to furnish facilities for production of information outputs. Of equal importance, it would have to provide an environment in which investors would feel comfortable and uninterrupted to study Authority publications and Library Services resources.

For this reason Library Services would have both public areas and office space. Public areas include: stack space, study area, conference room, check-out space and material display area. While most of the books and journals would be housed in regular metal shelving, the Library Services would want recent issues of important journals as well as key new statistical sources, including those provided by Data Services, to be on display for easy retrieval by users unfamiliar with formal library practices of arranging materials by classification information in the stacks.

The office area should include space for desks for each staff member, a separate office for the Director, a separate materials preparation area (tables and files) where new acquisitions can be unwrapped, cards and pockets pasted into books, etc.; extra shelving for new materials being held for review before they are put out on the public shelves.

In addition to regular office equipment, special library equipment required includes: copying machine, easy chairs in the reading area for investors, small metal card files, standard metal filing cabinets for pamphlet materials; special cardboard holders for flimsy periodicals and documents, reading tables of large and small size to accommodate users working alone or together, special periodical display shelving built so that front covers are displayed vertically, newspaper racks.

Library Services would also need to be wired for telecommunications with the expectation not only of considerable regular phone communication throughout the Authority but also to other organizations in Cairo.

#### D. DATA SERVICES

The third unit composing the Information Services Department of the Investment Information Center would be Data Services. The unit's principal responsibility would be to meet the needs of foreign and Egyptian investors for objective quantitative information on the many attributes and dimensions of the Egyptian economy, and of the outside world, that must be considered in evaluating Egypt as a country for investment, and in identifying and designing viable investment projects for siting in a free zone or an inland location.

The kinds of information that Data Services needs to be able to prepare for investors will also be of interest to other departments of the Authority and to a number of other Egyptian governmental bodies including the agencies that are competent to perform technical analyses of projected investments. Data Services must be responsible for meeting the needs of these governmental offices for investment-related quantitative information. Copies of the statistical outputs of the unit should be made available. The unit should also stand ready to provide data to the general public in Egypt and abroad.

##### 1. Principal Activities

The principal activities of the Data Services unit would be to:

- Obtain quantitative and related factual data concerning economic conditions in Egypt and abroad that, following appropriate analysis, should be relevant to investors in Egypt;
- Process the data into information outputs that will be useful to investors; and
- From the same bank of input statistics prepare tabulations and summary analyses for the rest of the Authority and for other agencies of the Egyptian Government.

Data Services would be responsible for providing items of information either directly to investors--ordinarily through the Inquiry Services unit--or to personnel responsible for promotion or for the preparation of studies. Their services would also include statistical manipulation of quantitative data and descriptive analysis of quantitative and non-quantitative

information. It is not being recommended that the unit undertake economic research such as sector surveys or project identification studies; it is presumed that such activities inside the Authority will remain within the competence of the Research, Evaluation and Promotion Division. Data Services may, however, be called on to participate in such studies by another Division in the Authority or even another government agency.

In brief, Data Services would be concerned with the range of quantitative information wanted by investors. The unit need not be concerned with quantitative data that are received by Information Services in a form ready for distribution to investors. Such already-packaged information would be routed directly to the Library or to Inquiry Services. Data Services would concentrate on the data that need to be processed or at least suitably packaged before they are ready for distribution.

Data Services would contribute to making the Center a one-stop information center by making certain that all of the investment-related quantitative data generated within the Egyptian Government are made available in suitable form at the Investment Information Center.

While it is not anticipated that statistical information needed primarily by the Authority in the exercise of its regulatory functions will be the responsibility of Data Services, such information may be of appropriate interest to investors. For example, the data assembled by investors who are implementing projects will serve as guideposts to other entrepreneurs who are not as far along in the investment process; data on these earlier investments, insofar as they are not privileged, should be included in the data bank of the unit.

Data Services should not attempt to acquire and store data that would be of use to only one or a few investors. For such cases, the unit should be prepared to identify sources to which the investor can be referred, or to which the unit can turn as the need arises.

## 2. Principal Outputs and Users

The principal outputs of Data Services are of three kinds:

- Information needed by investors;
- Information of interest to the Authority; and
- Information needed by other Egyptian Government agencies.

### a. Information Wanted by Investors

Data Services should stand ready to provide three kinds of information to investors:

- Data showing the investment climate in Egypt generally, ranging from macroeconomic statistics on Egypt as a nation and on governmental activities to factual accounts of the experiences of enterprises established under the aegis of Law 43;
- All information pertinent to the preparation of a feasibility study that is already in the hands of any Egyptian governmental agency; and
- Other information appropriate to feasibility studies that is needed by a sufficiently large fraction of investors in Egypt that the channeling of the information through Data Services is more efficient than forcing each investor to obtain the information independently.

The extent to which the Authority or the Government as a whole wishes to serve investors as a source of information pertinent to the dimensions of the markets in which a project may participate as a buyer or seller is not stipulated by law. Certainly, information on the market (buying as well as selling) that is known to the Government because of governmental involvement in markets as buyer, seller, or monitor, can and should be made available to investors. Moreover, all information pertinent to project feasibility that any governmental agency may collect or come to know as it performs its other prescribed functions can and should be available to investors.

Table A-III-1 has been prepared as a comprehensive list of the kinds of information that investors are likely to seek as they survey the investment climate of Egypt and as they examine the prospects of particular Law 43 investments. The listed information is comprehensive enough to pertain to a manufacturing project, but with ready adaptation it fits any other class of investment activity. The list does not refer to Law 43 privileges and procedures as such, but it does categorize the kinds of governmental instruments and attitudes that an investor needs to understand and to incorporate into his own analysis.

The symbols (A, B, C) at the right of the table indicate the extent to which Data Services should endeavor to be in a position to provide the wanted information. The symbol A implies that the unit should include such information in its planned output; materials for the output should be either in the data bank or should be promptly available through Data Services from some other source, such as CAPMAS. The symbol B indicates that the unit should have identified fully the organization or place having prompt access to such data. The symbol C indicates that the data have not been generated, but that one or more consulting-type organizations have been identified that can undertake the needed research.

b. Information Needs of the Authority

The Investment Authority, including the other units that compose the ICC, have need for many of the same data that Data Services mobilizes as it accommodates the information requirements of investors. Authority activities that depend upon such data are:

- Policy elaboration and guidance;
- Planning studies;
- Coordination of investment-related policies and programs;
- Comparative investment conditions, investor incentives, and promotional and/or regulatory programs in other nations;
- National and/or regional cost/benefits of investment projects;
- Project evaluation, and approval or disapproval;

TABLE A-III-1

ROLE OF DATA SERVICES UNIT IN PROVIDING INFORMATION TO INVESTORS

|  |   |       |
|--|---|-------|
| 1. <u>Climate for Investment in Egypt</u>  |   |       |
| a. Size of Total National Economy  |   | A     |
| b. Growth by Sector  |   | A     |
| c. Manpower; Employment  |   | A     |
| d. Transport and Communications  |   | A     |
| e. Utilities   |   | A     |
| f. Education and Health  |   | A     |
| g. Government Budget, Expenditures and Revenues  |   | A     |
| h. International Trade; Balance of Payments; International Reserves                                  |   | A     |
| i. Investment, Public and Private, Including Investment Accomplished Under Law 43                    |   | A     |
| 2. <u>Market Dimensions</u>  |   |       |
| a. Domestic:   |   |       |
| • Egypt-macrodata affecting market size  |   | A     |
| • Growth of relevant sector  |   | A     |
| • Specific products (prices and quantities)  |   | B     |
| b. Foreign:  |   |       |
| • World markets for specific products  |   | B/C   |
| • country markets, including barriers to imports   |   | B/C   |
| c. Competitive Suppliers:  |   |       |
| • Egyptian   |   | A/B   |
| • Foreign suppliers to Egypt   |   | A/B   |
| • Foreign suppliers to abroad  |   | C     |
| 3. <u>Input Prices and Availabilities</u>  |   |       |
| a. Assets:   |   |       |
| • Site land:   |   |       |
| .. free zones  | A |       |
| .. other sites   | A |       |
| • Plant  | C |       |
| • Equipment, imported  | C |       |
| • Equipment, local   | B |       |
| • Auxiliaries  | C |       |
| • Patents and know-how   | C |       |
| • Construction labor   | A |       |
| b. Operating Inputs:   |   |       |
| • Operating labor, including working conditions and productivity as well as wages, fringes and hours |   | A     |
| • Overhead labor   |   | A/B   |
| • Technical and administrative expertise   |   | A/B/C |
| • Raw materials, domestic and imported   |   | A/B   |
| • Supplies   |   | A/B/C |
| • Utilities  |   | A     |
| • Communications   |   | A     |
| • Transport--in and out  |   | A     |
| • Community services, including education and health   |   | A     |
| • Other infrastructure   |   | A     |
| • Financial and business services  |   | A     |
| • Marketing channels   |   | A/B   |

A = Data Services should endeavor to provide full information.

B = Data Services should be able to identify fully one or more sources from which the information can be obtained.

C = Data Services should be prepared to identify one or more consultants who can obtain the warranted information.

/ = and/or.

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TABLE A-III-1

(continued)

4. Finance and Management, Input Prices and Availabilities

a. Venture Capital:

- Egyptian A/B
- Foreign B/C

b. Loan Funds:

- Institutions (banks, etc.) A
- Terms for long-term loans A/B
- Terms for short-term loans A/B
- Foreign exchange, and others A/B

c. Management Partners:

- Egyptian A/B
- Foreign A/B/C

5. Government Aids and Constraints

a. Taxes, Tax Remissions, Subsidies A

b. Regulations of Markets:

- Foreign exchange and controls on international trade A
- Labor A
- Inputs:
  - .. raw materials A
  - .. supplies A
  - .. infrastructural inputs A
- Output A
- Financial terms A
- Right to invest and to operate A
- International remittance of earnings and of capital A

c. Government as a Supplier of Inputs:

- Information services A/B
- Material inputs, including infrastructure A/B
- Government as an investment partner B

d. Government as a Customer A/B

A = Data Services should endeavor to provide full information.

B = Data Services should be able to identify fully one or more sources from which the information can be obtained.

C = Data Services should be prepared to identify one or more consultants who can obtain the warranted information.

/ = and/or.

- Decisions on incentives;
- Memoranda requesting decisions by other agencies;
- Special market and feasibility studies or industrial surveys; and
- Matters requiring policy or programmatic coordination with the private sector.

While the primary responsibility of the unit is to serve investors, the unit needs to have all the capabilities that will enable it to analyze and compile data in support of these several Authority functions. All compilations that are prepared for general distribution to investors should be distributed as well to interested departments in the Authority. Moreover, the unit should be available to prepare special studies needed within the Authority. As was indicated earlier, it is not recommended that the unit have the kinds of expertise that would be needed for economic policy studies; studies requiring statistical and other quantitative manipulation of data would, however, be most appropriate for the unit. Descriptive studies of industries, trade practices, policies of foreign governments, etc., could also be undertaken by Data Services. In conducting such studies the unit should be able to rely upon the assistance of satellite centers of the IIC abroad.

This list of purposes is not a list of outputs to be provided by the unit. The purposes are specified in order to imply that virtually the entire range of outputs produced by Data Services may be called upon by other departments of the Authority as they identify and promote nationally beneficial investments and as they evaluate and monitor particular investment projects. Data services, almost identical to those wanted by the individual investor, will be required by the Authority as investment applications are evaluated. And the same kinds of information will be wanted, at an earlier stage, as the Authority seeks to identify industries or projects that deserve to be brought to investors' attention.

c. Information Wanted by Other Government Agencies

Once Data Services is fully in operation and is in a position to provide most of the planned outputs to investors, it is likely that significant demands will be placed upon it by other agencies of the Government. In many instances, the wanted information can be supplied by CAPMAS, but in other instances the immediate provider will need to be Data Services either because the information has been obtained from sources other than CAPMAS or because CAPMAS data will have been further processed by Data Services.

The types of investment-related economic information that will be wanted both by the Authority and by other agencies with responsibilities for planning, policy formulation, project evaluation, project incentives or financing, and project policing or oversight, can be summarized as follows:

- Egypt's resources and capabilities:
  - .. Natural physical resources;
  - .. Human resources, including skills and production preferences;
  - .. Real capital resources, including infrastructure and productive assets;
  - .. Political and economic institutions and attitudes; and
  - .. Current patterns of productive behavior;
- Supply and demand of resources and goods in world markets, current and prospective; and
- Egyptian patterns of income use:
  - .. Savings vs. consumption; and
  - .. Composition of consumption, actual and prospective.

This summary is condensed to the point of hiding the extensive information detail that is required, but it is intended to be suggestive of the range of informational outputs that may be demanded of Data Services.

The government agencies that should find the outputs of the unit to be especially helpful are those such as the Government Organization for Industry (GOFI) that are competent to perform the technical evaluation of projects that have been submitted to the Authority for approval. Data available through the unit should facilitate significantly the evaluative work of these agencies.

The outputs of the unit would be in the form of (a) reports or fact sheets prepared in advance of investor's inquiry, and (b) memoranda, letters, telecommunications, and conversations generated consequent to questions by investors, by other governmental agencies, and by other interested parties in Egypt and abroad.

Examples of the materials to be prepared in advance are:

- Compilations, frequently updated, of the statistics useful in identifying viable investments;
- Register of potential joint venture partners; and
- Directory of Egyptian organizations or individuals that investors may wish to contact.

### 3. Input Data Requirements

#### a. Types of Data

Generally, many of the types of data that need to be acquired by the unit have been stated or implied in the discussion of outputs and need not be repeated here. Principal categories of inputs include:

- Quantities of goods and services produced, traded, or consumed (historical and projected);
- Prices;
- Labor market conditions and practices;
- Marketing channels and practices;
- Inventories of resources and produced assets;
- Production capacities;
- Locations of resources and economic activities;

- Production technologies;
- Descriptions, including financial attributes, of companies;
- Macroeconomic data, including national economic plans;
- Government policies, laws, regulations, procedures, controls of prices and quantities, fiscal instruments; and
- Information sources.

In the beginning, the unit can concentrate on obtaining these types of information for Egypt and for Egypt's international transactions. As the staff of the unit arranges and learns to accommodate these input flows, information can be sought on other countries, with emphasis first upon the countries from which Egypt obtains competitive imports (and inputs of investment assets and operating goods and services) and to which Egypt exports or intends to export as investment projects mature. Emphasis can finally be placed on obtaining information on countries that are competitive with Egypt in attracting investments from abroad.

b. Sources of Data

One of the first steps to be taken by Data Services once it is organized would be to confer with every economic information-generating organization in Egypt, private as well as governmental, to learn what kinds of data are being produced, from what sources, and of what quality and timeliness. In the interest of both accuracy and speed, it would be well to seek primary sources. Once the best sources of needed inputs are identified, arrangements would have to be made for transmitting data to Data Services. If the data are to be further processed by the unit or if it is worthwhile to bank the information within the unit, arrangements should be made for immediate and recurrent transmittal. If, on the other hand, the data can be distributed to investors in the form in which they are received and the need for such information is only occasional, the arrangements can provide for transmittal only on request by the unit.

Because the most pressing needs as seen by investors are for information on governmental policies, criteria, regulations, and procedures pertinent to Law 43 and other laws impacting private investment, the most

important sources initially would be the government agencies concerned with these matters. Since the principal agency is the Authority itself, the unit would need to arrange for the receipt of all the data of investment interest known to the Authority.

Although Data Services--and the IIC as a whole--is not to have any responsibility for the Application Form(s) that investors must fill out, the unit would have an important dual interest in the Form(s). On the one hand, the kinds of data needed by the investor as he completes the Form(s) are likely to compose the principal demand for the Center's data services by investors. On the other hand, completed applications will constitute a key source of inputs for the data services unit.

The other agencies on which the unit would have to rely are those that are already supplying some information to the Authority, namely, COFI and other technically competent agencies that review project applications, the Central Bank, the Treasury, and the governorates.

The principal source of input data for the unit would likely be the Central Agency for Public Mobilisation and Statistics (CAPMAS). It is to be expected that most of the data on the Egyptian economy of interest to investors would reach Data Services through that agency. Other sources would include virtually every other ministry or independent agency within the Egyptian Government because each of them has some regulatory authority that makes it a prime source of data on prices, supply availabilities, or authorized demand quantities.

If the unit is to obtain all the information it requires from other agencies of the Egyptian Government, it must first arrange access to all of the information channels to these agencies that have already been established by any of the departments of the Authority. Because these channels are thus far inadequate, they must be enlarged and strengthened. These improvements can be more readily accomplished if the channels become two-way, that is, if other agencies can regard the unit not merely

as a customer of their own information services but also, and perhaps more importantly, as a useful source of many of the data required for their own operations.

Because it is intended that the IIC operate as a one-stop information center for investors, instances in which the investor is directed to another government office in order to obtain objective information should be minimized. If it is not cost-effective for the unit to stock particular information that is collected or at least banked by another agency, Data Services should obtain the information and deliver it to the investor--the investor should not be asked to visit the agency in question. In general, the investor should be directed elsewhere only when he needs an opinion or a ruling or subjective information that can best be formulated and conveyed at an across-the-desk meeting. Most times, the unit should obtain the wanted data by messenger, telephone, or computer terminal.

Much of the information that the investor should have on the dimensions of the Egyptian economy is not yet being collected on a regular systematic basis. Considering that Data Services are not intended to be a collector of raw data, it would be incumbent on the unit to seek out the agencies best qualified to collect the needed data and to commission them, if need be, to collect the needed data and to forward them to the unit. In most instances, the appropriate organization would likely be CAPMAS because that agency is by law assigned to collect, process, and distribute those data that may be of general interest in Egypt.

Data on economic conditions abroad can be obtained mainly from published sources, especially the publications of governments and inter-governmental agencies such as the World Bank, the International Monetary Fund, the United Nations, the Organization for Economic Cooperation and Development (OECD), etc. Bank organs, trade associations, chambers of commerce, and the commercial and financial press must be depended upon.

These sources can also provide information on particular companies. Additional data, especially pertinent to the building of lists of potential foreign joint-venture partners can be obtained from company annual reports, from investor services manuals such as those prepared by Moody's and Standard and Poor's in the United States, and from credit reporting agencies such as Dun and Bradstreet.

As the unit becomes firmly established, it can be expected to build an informal international intelligence network by which information is gathered from, and perhaps traded with, data sources throughout the world. As the unit acquires a deserved reputation as the best source of information on the development of the private sector of the Egyptian economy, other organizations would become eager to share their knowledge in exchange for information on Egypt. The greater the extent and the activity of this network, the greater will be the interest of overseas businessmen in the possibility of investing in Egypt.

#### 4. Data Processing

Over the years, data processing within Data Services would most likely become increasingly computerized. At the outset, however, it would be principally manual. Understanding the unit's handling of data between the events of input and of output can best be achieved by studying the processes as they would be performed manually. Then consideration can be given to the modifications that would be effected as manual treatment is succeeded by computerized processing.

##### a. Manual Processing

It is unrealistic to imply that unit activities can be brought quickly to flower. Apart from the mobilization of staff and the establishment of physical facilities, the unit would have as its first responsibility the organization and classification of the investment information already held (or being received) by the Authority. As a second and subsequent step, the unit would undertake to identify and obtain the relevant information

produced or held by other bodies in Egypt (private as well as public) that should be acquired by the unit. In some instances these data need not be acquired; rather, it would be sufficient to identify the information and its storage place such that the information can be obtained by the unit or directly by the investor whenever it is needed.

Two guideposts deserve to be emphasized. Information must be accurate, i.e., reliable, and it must be timely. Outputs can, of course, be no more accurate than inputs, and they can be less accurate if the inputs are not processed properly.

Data Services cannot always be aware of the imperfections in the data that are received as inputs. The possibility of error should always be borne in mind; data that are suspect should be investigated and source organizations should be urged to take corrective action. Weak data should not, as a rule, be combined with data of better quality, as the output then becomes tainted. If questionable data may, nonetheless, be useful to investors, they should be distributed separately and with appropriate warning.

Out-of-date information is almost as objectionable as unreliable information. The unit must process data promptly such that outputs do not lag inputs in timeliness. In instances in which inputs from Egyptian sources are themselves tardy, the unit may need to join other users in explaining the importance of timeliness and in helping the suppliers of the input data to design more expeditious data-gathering operations.

An investors' data bank is useful only as items of information can be quickly retrieved and made available to investors, governmental personnel, or others who may be interested. The files must be so organized, indexed, and cross-indexed that unit staff members can readily locate and retrieve the information that is requested. To facilitate communication with CAPMAS, the unit should use the same classification systems for commodity trade and for kinds of economic activity that are used by CAPMAS.

The data manipulation capabilities of Data Services staff and facilities need not be highly sophisticated. Most of the processing would be classifying, rearranging, reconciling, and tabulating or charting. During the early years of the unit, while the data bank is being built, much time would be spent in comparing statistics and checking them for accuracy and comparability; once the flow of data through the unit is routinized, the amount of checking can be reduced.

Statistical operations would, in the main, require such calculations as:

- Computing weighted averages and other measures of central tendency;
- Computing measures of dispersion;
- Converting series from one currency to another;
- Using price indices to construct series in constant prices;
- Calculating rates of change;
- Estimating trends by least squares, and using exponential and second-degree curves;
- Performing simple correlation or regression analysis; and
- Preparing semi-logarithmic charts.

b. Opportunity for Computerization

In planning the computerization of its data processing activities, the unit should give priority to the use of existing central computing facilities at CAPMAS, accessed through the microwave system and ICL 7500 computer for which a contract between the Authority and CAPMAS has been established. In the early period of operations, Data Services would thus aim to rely on: (1) data already collected by CAPMAS in formats already established; (2) data bases and information systems currently used by CAPMAS to process these data; and (3) the central and satellite hardware already in place or planned for. The unit's main role vis-à-vis CAPMAS would be to retrieve the Agency's raw or processed data through the ICL 7500 connection for printing, storage and analysis at the unit and, occasionally at first, but with increasing frequency later on, for further minor electronic processing at the Agency to better suit the needs posed by investors through the Inquiry Services unit.

Later, Data Services should investigate the following two possibilities and establish the feasible and more cost-effective combination of these options:

- (1) Modification of CAPMAS systems and programs to allow for additional data-processing capabilities using CAPMAS' raw data, with the processing to be undertaken by CAPMAS and the results retrieved at the unit through the satellite connection; and
- (2) Development of more systematic and comprehensive satellite data-processing capabilities at the unit to manipulate data retrieved from CAPMAS and data that the unit may capture or develop, to meet the unit's specific needs with maximum control at their own facilities.

The first future alternative above would require software development contracts or orders to be established between the Agency and the Authority while the second alternative would imply both the expansion of the unit's computer hardware configuration and the in-house or contracted development of new software.

It is not to be expected that it would be worthwhile to computerize all of the unit's data-handling activities. Most of the information would be filed as ordinary hard copy, that is, as typed paper or cards in filing cabinets, and most calculations would be performed by ordinary electronic desk calculators. Computerized data would be those that deserve frequent modification with the modification being effected by programs that can be used repeatedly.

#### 5. Staff Requirements and Qualifications

A Data Services unit having the responsibilities described above would require a permanent staff of ten: a supervisor, six professionals, and three supporting staff members. Skill requirements would be as follows:

- Supervisor, with background in engineering, utilities, accounting or computer science;
- Professional statistician;

- Professional computer scientist to be in charge of all computerized operations in the unit;
- Professional accountant;
- Professional economist/social (economic) accountant;
- Professional finance specialist, qualified to evaluate joint-venture partners;
- Professional industrial economist, versed in nomenclature and having background in industrial chemistry; and
- Three support staff members, all of whom should be able to use programmable electronic calculators, and at least one of whom should also be a skilled chartist.

During the formative years of the unit when data input flows are still being arranged and quantitative processing is being designed, the permanent staff members listed above should be aided by outside consultants whose help should permit the unit to reach full output far more quickly.

APPENDIX IV

PROMOTION

APPENDIX IV

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## APPENDIX IV

### PROMOTION

#### A. INTRODUCTION

Promotion is one of the key elements of a dynamic industrial development policy. It is through the promotion function that plans and projects are translated into industrial reality.

The competition for investment is worldwide. More than one hundred organized governmental bodies are engaged in aggressive promotional efforts. Developing countries as well as industrialized countries compete for the same limited flow of investment. The American states, Canadian provinces, regions of the United Kingdom, France, and Germany compete for the same investment dollars against developing countries.

Each of the agencies responsible for attracting and retaining investment has some promotional program ranging from the simple presentation of facts in statistical brochures to aggressive person-to-person sales contact to "sell" the country or region or state or locality. The quality of the promotional efforts is key to the success of attracting investment. Investment simply does not flow into the community or locality because the locality is strategically located or offers incentives or has apparent benefits to the investor. Such strategic issues and benefits have to be communicated in a competitive environment and the promotion program must be designed accordingly.

In the broadest of terms, promotion falls into four distinct categories:

- General promotion;
- Sectoral promotion;
- Project promotion; and
- Internal promotion.

General promotion consists of disseminating information abroad designed to introduce the investor to the general characteristics of Egypt as a country and to convince the potential investor of the general attractiveness of Egypt as an investment site. Such promotion is geared to stimulating the potential

investor to apply for more detailed information about specific investment possibilities in Egypt.

Sectoral promotion involves the dissemination of general information on the sectors of the economy and economic climate in Egypt, including statistical data, information on infrastructure, land availability, labor, economic growth patterns, and other data related to socioeconomic or sectoral conditions.

Project promotion is the effort directed towards interesting potential investors in priority projects which have been previously determined to be of key importance for attaining Egypt's overall development goals. Project promotion is generally directed towards a limited number of investors who have been previously identified as potentially interested in particular projects or types of projects.

Internal promotion refers to efforts to promote the Investment Authority itself and the Authority's activities with other government agencies and with the Egyptian private sector. The aim is to establish an image of the Authority in the minds of key public and private sector decision-makers in Egypt as the pivotal organization in the investment development process and as an institution which can provide important services both to investors and to Egyptian public and private sector officials.

Experience in many countries has shown that projects requiring large amounts of capital and/or a sophisticated technology cannot be promoted effectively merely by announcing to the whole world that a certain opportunity exists, or even that the respective feasibility or prefeasibility studies are available. This is an expensive and inefficient manner of promotion. It is more economical and effective to determine in advance which national or international investors, due to their previous experience or interests, might be attracted to the project. There are many projects for which not more than 10-15 companies in the world have the necessary knowhow. It is wasteful to approach a large number of other investors in an attempt to interest them in such a venture.

Whether promotional activities are general or specific in nature, to be effective they must be based on a well-thought-out marketing strategy and a coherent implementation program. A properly conceived marketing strategy

is not a one-shot promotion or a single campaign but an integrated program that blends many elements of the marketing mix, including selected market research (to more clearly determine prospective investors' desires and requirements), the preparation of selected promotional materials and their dissemination to a carefully chosen series of target audiences, and an international public relations program (including press releases, electronic media coverage, seminars, conferences, and media advertising).

Marketing strategies should be developed and implemented around a four-stage process which has been repeatedly shown to be effective in the promotions and public relations fields:

- Establish an initial image through broad media and publications exposure, including press activities, electronic media, and publications distribution;
- Repeat this broad exposure over time;
- Having established a favorable climate of acceptance, undertake face-to-face contacts through meetings, conferences, seminars, briefings;
- Follow-up on initial contacts with private direct face-to-face contacts.

In addition to following this first-stage process, investment priorities should be clearly identified if effective strategies are to be developed. Once the Investment Authority has a clear understanding of projects that are desired, the order of magnitude of proposed ventures, the type of investors best fitted for the project, and the ideal structure of proposed ventures, then personnel responsible for promotion can devise and implement a highly directional marketing strategy. Without clear priorities, it will be impossible to formulate a coherent marketing strategy, and promotional activities will tend to remain haphazard and relatively ineffective in supporting Egypt's overall national investment goals. Finally, it is important that officials responsible for promotion clearly assess the positive and negative benefits of investing in Egypt so that the positive benefits can be clearly promoted and the negative drawbacks addressed in a straightforward manner.

## B. PRINCIPAL ACTIVITIES

There are six main activities involved in the promotion function:

- Undertaking marketing and attitudinal research on a continuing basis;
- Planning and developing marketing strategies and marketing programs;
- Packaging information in the form of publications, media advertising copy, audio/visual material, and seminar and briefing materials;
- Making contact with prospective investors, initially through direct mailings, media advertising, press information, and other public relations; then through meetings, conferences, and seminars, and finally through private sales calls;
- Responding to inquiries generated through indirect contacts; and
- Following up on previous direct contacts to maintain or renew prospective investors' interests.

### 1. Undertake Marketing and Attitudinal Research on a Continuing Basis

Marketing and attitudinal research is a critical necessity for designing an intelligent and well-formulated marketing strategy and series of marketing programs. Such research should be carried out in the Egyptian and key foreign investor markets to determine investor needs, desires, and investment requirements prior to the design of a marketing strategy. It should also be conducted periodically on an ongoing basis. The following tasks are included in this activity:

- Identify specific needs for marketing and attitudinal research;
- Assess and specify the objectives of such research;
- Identify and hire appropriate research firms to conduct the research;
- Work with chosen firms in the development of a research design; and
- Evaluate the results of the research program.

### 2. Plan and Develop Marketing Strategies and Programs

As discussed in the introduction above, development of a coherent marketing strategy with clearly identified objectives and an appropriate mix of programmatic approaches is the key to successful promotional activities. Planning such a marketing strategy requires a clear understanding of investment priorities, an accurate assessment of the characteristics

and potential of the various investor markets to which promotional activities would be directed, and careful analysis of the attitudes and needs of potential investors within those markets. Initial design of such marketing strategies requires experienced personnel familiar with both Egypt and with international promotional techniques and approaches.

The key tasks under this activity include the following:

- Review and maintain awareness of sectors and specific proposed investment projects assigned priority status by the Research Evaluation and Promotion Division;
- Review results of marketing and attitudinal research;
- Develop a statement of general promotional goals and objectives based on overall investment priorities;
- Identify specific promotional targets and objectives in different investor markets based on ongoing analysis of the national sourcing of investment projects and the estimated demand potential of these various markets;
- Allocate marketing resources (budget, staff, materials) in a manner consistent with identified promotional objectives in each investor market;
- Decide on an appropriate mix of promotional techniques and approaches for each investor market;
- Periodically review the promotional activities, approaches, and techniques of other investment authorities or centers;
- Periodically review and update existing marketing strategies and programs.

### 3. Package Information

The packaging of information in the form of promotional brochures, booklets, press hand-outs, seminar and briefing materials, and media advertising copy is an activity which involves both creative design and technical skills, such as writing, editing, graphic design, and printing expertise. Two types of materials will be produced: materials for distribution to the press and electronic media and materials to be directly distributed by the Investment Authority to potential investors. The Authority will have little or no direct control over the use of the first type of material once such materials are released to the media; the Authority will have direct control over the latter type of material.

Individuals generating materials through this activity would be guided by the publications requirements suggested by individual country marketing strategies as well as by suggestions from promotional personnel operating in the field. Initially, much of this activity would likely be carried out by outside agencies on retainer to the Investment Authority. Even at later stages, when the Investment Authority's in-house expertise is substantially expanded, some outside assistance would be required from, for example, a top-flight advertising agency.

The specific tasks under this activity include the following:

- Consult with senior marketing personnel and field personnel concerning promotional materials needs;
- Collect information from departments within the IIC or outside sources which is suitable for inclusion in publications, media advertising, and seminar/briefing materials;
- Maintain continuing contact and flow of information to target countries;
- Prepare or commission preparation of the design for publications, advertising, and seminar/briefing materials;
- Produce or commission production of the text, photographs, and/or slides or audio recordings used as content in publications, advertising copy, and seminar/briefing materials;
- Produce or commission actual production of the publications, advertising copy, and seminar/briefing materials.

#### 4. Making Contact with Investors

This activity is the heart of the promotional function. Given a coherent marketing strategy, the vigor and skill with which this activity is conducted would determine to a large extent whether or not the Investment Authority can successfully cultivate and shape investor market demand to meet Egypt's investment priorities. Contact should be carried out in accordance with the four-stage approach outlined above, beginning with general contacts of an indirect nature through the use of media advertisements, press releases, and other public relations activities, and proceeding gradually to direct contacts in seminars and conferences and, eventually, to private face-to-face meetings with individual investors.

Indirect contacts through press releases, mailings, media advertising and participation in other public relations activities such as media tours,

would be useful primarily as a means of generating general interest and stimulating inquiries on the part of potential investors. Participation in seminars, conferences, exhibitions, and meetings abroad would be most useful for stimulating widespread interest in Egypt as an area with attractive investment opportunities. Private sales calls would be most useful for generating interest in specific priority projects.

Both direct and indirect contacts should be carefully planned so that they effectively further the marketing objectives laid out in the Investment Authority's marketing strategy. Thus, for example, in developing or participating in investment seminars, special attention should be given to careful selection of a city location and of the guests to be invited. (Are they really potential investors in areas of interest? Are they at decision-making levels?) Programs should be carefully planned to appeal to the interests and attention-span of those in attendance. Direct contacts in particular should be aimed at top-level management and should be carried out by experienced senior Investment Authority personnel who would be credible in the eyes of senior company executives. Such personnel should be capable of projecting an image of polished initiative in their activities.

The specific tasks under this activity include the following (to be carried out by home office marketing and publications services personnel as well as by foreign office personnel):

- Establish relationships with key banks, trade and industry associations, investment houses, and national ministries of industry and commerce in foreign investor markets to assist in identifying potential investors;
- Maintain information files and a small library of key information sources such as Dun and Bradstreet, Moody's, Kompass, etc., to assist in identifying potential investors;
- Identify names of potential domestic and foreign investors for both direct and indirect contacts;
- Stimulate other forms of public relations activities, such as press releases, electronic media, and articles by well-known journalists and writers on Egypt as an investment location, etc.;
- Prepare and execute direct mail campaigns to potential investors making use of foreign office facilities where possible;
- Prepare and execute media advertising campaigns;

- Plan, develop, and execute seminars, briefings, conferences, trade exhibitions, and social gatherings for potential investors, government officials, journalists, etc., both abroad and in Egypt, including:
  - .. Identify investment seminars/briefings/conferences which are desirable to create or participate in,
  - .. Rent space, identify desired participants, send out invitations,
  - .. Insure preparation of relevant seminar or briefing materials, (including brochures, handouts, and audio/visual presentations.
  - .. Participate in the seminars, briefings, conferences, and exhibitions,
  - .. Follow up with mail contact to participants inviting further inquiries;
- Plan and execute personal sales calls on potential corporate investors by both home office personnel and foreign office personnel;
- Bring interested investors into contact with the Investor Services group as the application process gets underway.

#### 5. Respond to Investor Inquiries

This activity is described in more detail under Section B of Appendix III. Responding to investor inquiries is a critical promotional activity which would be carried out not only by personnel at domestic information offices within Egypt, but also by foreign promotional office personnel. A rapid response to investor inquiries, whether solicited through previous contacts or unsolicited, is essential to insure continued interest by the investor. Inquiries should be handled via personal letter with appropriate published attachments, a telephone response, a personal visit, or, in some cases, all three, where the Investment Authority is particularly interested in soliciting interest on the part of a desirable investor.

#### 6. Follow up on Previous Contacts

Follow up is an essential activity to insure maintenance of interest on the part of potential investors. As mentioned above, direct investor contacts through seminars, meetings, exhibitions, and the like, should be followed up via mail, telephone, or personal visits. In addition, potential investors and current investors in Egypt should be periodically

contacted by Authority personnel to assess whether new investment needs may have arisen for a potential client or to assess whether investors with current projects in Egypt may be interested in expanding operations. Foreign office personnel may also carry out some investment facilitation activities during contacts with current investors. The principal requirement for this activity is that periodically-updated files be maintained on previously contacted investors or potential investors. Duplicate copies of these files should be maintained in both the home office and in foreign office locations.

### C. PRINCIPAL WORK OUTPUTS

The principal work outputs of the promotional activities described in Section B include both products and services. Specifically, these outputs include the following:

- Periodically-updated marketing strategies and marketing programs;
- Publications materials, including:
  - .. General country brochures;
  - .. Miscellaneous promotional brochures;
  - .. Factsheets;
  - .. Investment plan reports;
  - .. Investment newsletters;
  - .. Investment Information Center brochures;
  - .. Investment Authority annual reports;
  - .. Investment guides;
  - .. Publications on specific investment opportunities;<sup>1</sup>
- Press releases and media information kits;
- Media advertising copy, and special media supplements;
- Seminar/briefing materials, including audio/visual presentations;
- Lists of names of potential investors targeted for promotional activity;
- Personal promotional contacts with potential investors and dissemination information to those investors;
- Direct mail and media advertising campaigns;
- Seminar/briefing/conference/exhibition presentations;
- Responses to inquiries for information by potential investors;
- Ongoing market research concerning investor needs and feedback to Investor Services staff on investor characteristics and reaction to facilitation activities.

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<sup>1</sup> See PIP report for a full description of the various types of publications.

D. PRINCIPAL DATA, EQUIPMENT, AND OTHER RESOURCES REQUIRED

The principal data requirements for effectively carrying out promotional activities would include the following:

- Previous marketing plans and programs;
- Information on marketing programs and activities of other investment authorities and investment centers;
- Information on national development plans and the status of implementation of Egyptian national development plans;
- Information on priority projects and regions identified by the Research Evaluation and Promotion Division (as well as on priority investment projects proposed by the Investment Authority);
- Data on Egyptian investment policies and programs, laws, and administrative arrangements;
- National, regional, local, and international industrial and socio-economic statistics;
- Data on existing and available technologies, in Egypt and abroad;
- Data on industrial markets, the structure of industry, and the availability of infrastructure in Egypt and in competitive markets abroad;
- Information on general investor characteristics and levels of interest in Egypt in various foreign investor markets;
- Feedback from potential and current investors concerning their investment information needs and how they prefer to receive that information;
- Dun and Bradstreet, Moody's, Kompass, and other similar listings of major national and multinational corporations;
- A wide range of media materials (newspapers, journals, etc.);
- Data on the national sourcing of current and prospective investors.

Other sources required for promotional activities include:

- Specialized assistance from advertising agencies, graphic design artists, copywriters, and printers in the preparation and production of media material and promotional literature;
- Specialized assistance from outside photographers, producers of audio/visual presentations, and possibly writers and editors in the production of seminar and conference material;
- Specialized assistance from press relations specialists;
- Periodically updated information from key banks, trade associations, etc., concerning potential investors.

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Key facilities and equipment required for promotional activities include office space for marketing and publications services personnel in the Cairo headquarters of the Investment Authority, a reception area in Cairo to receive visitors; conference rooms to discuss promotional activities with prospective investors, journalists, government officials, or outside consultants and specialists working under contract for the Investment Authority; office space for overseas promotional offices with an average staff of staff of four or five, telex facilities, xerox and paper-offset facilities, and mail access.

E. PRINCIPAL USERS

The principal beneficiaries of the work outputs of promotional activities would be potential investors, on the one hand, and the entire Investment Authority on the other, since the ultimate objective of promotional activities would be to increase the flow of investment in Egypt and to meet the investment development objectives identified by the Investment Authority. Among the promotional staff itself, the work outputs of foreign office personnel would be beneficial to marketing and publications services staff in Cairo and vice-versa. Other beneficiaries would include those involved in tourist promotion, exporting, and other forms of commerce.

## F. STAFF REQUIREMENTS AND QUALIFICATIONS

The staff required for the promotion function would include (in addition to Support staff) Senior and Junior Professionals responsible for developing and administering marketing strategies, Senior and Junior Professionals responsible for developing and administering marketing strategies, Senior and Junior Professionals responsible for publications services activities such as designing, writing, editing, and administering the production of publications and other promotional materials; Senior and Junior Professionals responsible for press relations; and Senior Professionals with administrative and marketing responsibilities in the overseas offices. Regional Office staff within Egypt would also be expected to contribute significantly to the implementation of promotional programs within Egypt.

Professional staff responsible for promotional activities should have degrees in management, marketing, and public relations or journalism. Senior professionals responsible for developing marketing programs should ideally have several years of marketing and/or public relations experience working within the private sector, both within Egypt and abroad. Staff with such experience may be difficult to obtain initially; strong efforts should be made to insure that at least one or two senior professionals with such experience are hired in the short term. Both senior and junior staff should have foreign language capabilities; general familiarity with the Investment Authority, other government ministries, and the investment environment in Egypt; and a knowledge of the advertising and promotion community in Egypt.

Professionals responsible for publications services should have specific technical training and experience in graphic design, media advertising, journalism, and/or publishing. They should also be experienced with the publishing and media industries of countries which are target markets for the LIC's promotional efforts.

Senior Professionals staffing the overseas offices should have advanced degrees in engineering, economics, or management. They should have foreign language capabilities in English, and, ideally, in one or more additional European or Asian languages. They should be thoroughly familiar with the characteristics and investment requirements of several industry sectors (perhaps with a detailed technical knowledge of one or two). They should also have broad familiarity with the Egyptian investment environment, Egyptian Government operations on a national and regional level, and the international investment community. They must be sufficiently senior to permit them to interact freely with top-level management executives in the foreign countries in which they are operating. Ideally, they should have at least three to five years of previous work experience with the Investment Authority, with at least some time spent as a Project Executive in Investor Services.

APPENDIX V

FACILITATION

APPENDIX V

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APPENDIX V

FACILITATION

A. INTRODUCTION

Facilitation of investors through the Investor Services Division of the Investment Information Center will play a critical role in stimulating investors to seriously consider Egypt as an investment site and eventually persuading investors to follow through with actual investment projects. Those performing facilitation activities for investors should see themselves not only as advisors and advocates for the investor vis-a-vis other staff of the Investment Authority and other government agencies but, more importantly, as persuaders. To be most effective, their activities should be carried out not only to assist and smooth the way for the individual investor during the investment process, but also to "sell" the investor on the comparative merits of initial investment in Egypt and, eventually, reinvestment in the country.

Effective facilitation requires an expert knowledge of the dimensions and requirements of specific industrial sectors, and of the domestic investment environment and government policies, procedures, and institutions. It also requires a personal capability for interacting effectively with a wide range of foreign and domestic investors from different social and cultural backgrounds. Individual project executives--who will have the primary responsibility for facilitation in the Investment Information Center--should be well-educated, experienced senior personnel who can relate easily to both domestic and foreign investors.

## B. PRINCIPAL ACTIVITIES

There are four main activities involved in the facilitation function:

- Guiding investors in procedures;
- Acting as liaison for investors with other government agencies and the private sector;
- Acting as trouble-shooter for investor problems; and
- Servicing special needs of investors.

As shown in Table A-V-1, these activities are typically undertaken at different times during the various stages of the investment process.<sup>1</sup>

### 1. Guide Investors in Procedures

The bulk of the guidance provided to investors concerning procedures would occur during the pre-application and application stage of the investment process, as well as during the period when an approved investor is attempting to get other necessary government approvals for implementing the investment project. This kind of procedural guidance is required by both domestic and foreign investors. Domestic investors, in particular, may have special needs for additional assistance prior to these stages of the investment process in identifying and planning a feasible investment project. We discuss this activity more fully below.

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<sup>1</sup>These stages, as shown in Table A-V-1, are: (1) Begin consideration of investing in Egypt; (2) Conceptualize and plan projects; (3) Prepare and submit investment applications for approval; (4) Obtain other required government approvals and implement the project; and (5) Initiate project operations.

Table A-V-1

OCCURRENCE OF FACILITATION ACTIVITIES  
DURING THE INVESTMENT PROCESS

| Stages of Investment Process<br>Facilitation Activities | I<br>Begin Consideration of Egyptian Investment (Promotion Phase) | II<br>Conceptualize & Plan Projects (Pre-application Phase) | III<br>Prepare & Submit Investment Application (including Feasibility Studies, etc.), & Obtain Approval | IV<br>Obtain Other Required Government Approvals & Implement Project | V<br>Initiate Operations |
|---|---|---|---|--|--------------------------|
| a) Guide investor in procedures                         |   |   | X   | X  |                          |
| b) Act as liaison for investor                          |   |   | X   | X  | X                        |
| c) Act as troubleshooter for investor problems          |   |   |   | X  | X                        |
| d) Service special needs of investors                   |   | X   | X   | X  |                          |
| e) Participate in investment promotion                  | X   |   |   |  |                          |

A-V-3

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Project Executives should be responsible for the following tasks under this activity:

- Maintain an up-to-date understanding of Board criteria for approving projects, of criteria for an acceptable feasibility study of a project, and of criteria used in deciding whether or not a project will receive incentives or not;
- Maintain an up-to-date understanding of procedural requirements in other ministries for obtaining investment approvals, permits, licenses, etc., associated with project development and implementation;
- Make oneself fully aware of the details of a proposed project in order to (a) anticipate the specific required licenses, permits, etc., and any problems the investor may encounter in obtaining them, and (b) be able to advise the investor concerning required feasibility studies, available incentives, and the proper way to complete pre-application and application forms;
- Educate the investor through discussions and the distribution of procedural guidebooks, etc., concerning required procedures prior to the time when the investor must actually make application for these investment approvals, licenses, or permits. Also identify potential roadblocks and difficulties to the investor;
- Advise the investor, in face-to-face meetings and through correspondence, concerning the likelihood his project will be approved, the incentives likely to be made available to him, and any steps the investor can take (in terms of changing the detailed characteristics of the proposed project or in terms of providing additional information) which may improve the chances for approval of the project.

## 2. Act as Liaison for the Investor

The second important activity of the Investor Services Division involves acting as liaison for the investor with other staff within the Investment Authority, with other government agencies, and with elements in the private sector. Acting in a liaison role is particularly important when obtaining necessary government approvals prior to and during project implementation. The liaison role is periodically important, however, during the period following the start-up of operations.

This activity requires a broad knowledge of the structure and functioning of both the central government and the governments of the governorates. It also requires constant, near-daily contact with other government representatives and the establishment of close, ongoing relationships with representatives from other government ministries. This is another reason for insuring that project executives within the Investor Services Division

have sufficient stature within the bureaucracy to guarantee their credibility and acceptance by senior officials in other government ministries.

The specific tasks included under the liaison activity are the following:

- Contact Investment Authority personnel in other departments to request expediting of investor approvals when an investor is considered to be worthy of an extra "sales effort"; in other words, when the investor is considered a particularly attractive prospect by the Project Executive.
- Contact other government ministries and the governments of the governorates to request assistance in gaining necessary permits, licenses, and other legal approvals by telephone, through inter-agency memoranda, and by actual meetings with other ministry representatives.
- Introduce the investor to other government representatives and physically accompany the investor to meetings with other government ministry representatives to obtain necessary approvals (most of them probably would be in the same building with the Investment Authority, given the one-stop-shop concept).
- Maintain contact with other ministries and the governments of the governorates concerning the status of license and permit approvals, and any difficulties being encountered in the granting of the necessary licenses and permits. Act as an advocate for the investor in lobbying for these approvals and communicate the status of the approvals to the investor.

### 3. Act as Trouble-shooter for the investor

Ideally, the Project Executive's role as a trouble-shooter would be relatively minimal because he or she should, to the maximum extent possible, anticipate specific investor problems before they arise. Inevitably, however, specific problems will arise during implementation or ongoing operation of an approved project. Typical problems would be delays in delivering an adequately trained labor supply, a break-down in infrastructure such as water or electricity, new unforeseen objections from a ministry within the regional governorates and the like. The Project Executive would continue to act in this role as an advocate for the investor. This is the key difference between his role and that of the Authority staff in the Control and Follow-up Department, who are concerned with insuring that the investor lives up to his end of the "investment contract" agreed upon between the Authority and the investor as part of the regulatory process.

The specific tasks under the trouble-shooting activity include the following:

- Maintain directly or insure access to files of information on the implementation or operational status of each investment project;
- Maintain an up-to-date awareness of the status of each investment project;
- Maintain an awareness of the most frequently occurring types of investor problems during implementation or ongoing operation and the procedures for solving those problems in a particular region or locality (e.g., if the problem is frequent electricity brown-outs, maintain a contact through most likely the regional IIC office with a key contact person in the responsible regional or local public utilities Ministry);
- Periodically contact each investor via telephone, mail, or in person to inquire if any difficulties are being encountered;
- Contact relevant ministries, agencies, companies, or other bodies to request assistance in solving investors' problems, physically meet with these public and private sector bodies, if necessary, or introduce investors if necessary (or have this done by regional IIC staff);
- Communicate via mail, telephone, or direct contact with investors concerning the resolution of problems or actions being taken to resolve these problems.

#### 4. Service Special Needs of Investors

The Project Executive in Investor Services would be responsible for meeting a number of special needs of investors during the entire investment process, from pre-application to project operation. During the pre-application phase, Project Executives may be called upon to assist investors in conceptualizing and planning projects which qualify as priority industry projects. These projects may be stimulated through the distribution of project profiles and studies prepared by the Investment Authority, or they may result from investors coming to the IIC requesting assistance in development of a project idea. Investors may also need assistance at this stage of the investment process in locating potential joint venture partners. Domestic investors, particularly, are likely to require substantial assistance at this point in the investment process in formulating a viable project likely to receive approval by the Authority's Board and by other concerned government agencies.

During the application period, in which the investment application is prepared and required feasibility studies are being carried out, the most frequent investor need is for assistance in gathering information on markets, industrial conditions, or feasibility considerations which are unique to the project under consideration.

Project Executives in Investor Services would be responsible for assessing investor needs accurately, requesting appropriate information or assistance from other units of the IIV or the Authority or elsewhere in the Government, and channeling the information to the investor. They should not be responsible themselves for developing lists of potential joint venture partners or undertaking special marketing studies or industry surveys.

Following investment project approval, the most frequent investor needs requiring assistance from Investor Services are in the area of visa approvals and work permits for foreign personnel, and assistance in obtaining adequate housing, and personal transportation (cars and drivers). Investors may also require assistance in developing the resources required for the project, including land, buildings, labor, and infrastructure.

The Project Executive would be responsible for the following tasks:

- Maintain liaison with international promotional offices concerning special investor needs;
- Identify special needs of specific investors during the pre-application process and make investor aware of Investor Services' capabilities for meeting those needs;
- Work closely with investors to formulate and plan investment projects which will meet priority industry project requirements and which will be compatible with investment priorities of other concerned government ministries;
- Provide investors with lists of joint-venture partners and set up contacts between interested parties;
- Maintain an awareness of special market, feasibility, or industry structure studies available within or without the Investment Authority in the industry of the investor's interest. Push for the undertaking of special studies when Project Executives believe that the proposed project is of substantial value for the Authority and the country;
- Provide investors with the results of the studies;
- Contact Immigration Ministry officials and physically accompany investors to obtain required visas and work permits. Act as an advocate for investors in expediting the process of approval;

- Assist the investor to apply for and obtain Ministry of Labor and other Government ministry assistance in training labor required for the proposed project. Assist in coordinating the program of labor identification of training with projects implementation;
- Assist investors to make use of predeveloped industrial sites (prebuilt factory buildings, industrial areas with infrastructure in place, etc.) managed by the Free Zones Division or elsewhere in the Investment Authority by providing information on such sites and facilities to investors and introducing them to appropriate officials.

#### 5. Participate in Investment Promotion

In addition to their facilitation activities, Project Executives within Investor Services would be called on occasionally to participate with other Investment Authority personnel (particularly staff from the IIC international offices) in investment seminars and promotional conferences overseas. The expertise of Project Executives concerning individual priority industry dimensions and investment requirements as well as the domestic Egyptian economic and regulatory environment would make them prime candidates for participation in such international promotional activities.

### C. PRINCIPAL WORK OUTPUTS

The principal outputs of the facilitation activities described in the previous section are mostly in the form of services rather than specific products. Specifically, these outputs include the following:

- Information concerning procedures for investment approvals, licenses, permits, etc., and potential roadblocks to approval (in the form of brochures, guidebooks, or oral communications);
- Information on criteria for project approval and feasibility study approval;
- Advice concerning the likelihood of approval being granted and steps the investor may take to improve his chances of approval;
- Assistance in formulating project ideas and completing project feasibility studies;
- Assistance in obtaining other required government approvals;
- Expediting of the process of approval;
- Introductions to government personnel;
- Information on the status of approvals;
- Assistance in resolving specific investor problems;
- Information on joint venture partners, investor conditions, etc.;
- Expediting of process involved to obtain land, labor, buildings, housing, visas.

D. PRINCIPAL DATA, EQUIPMENT, AND OTHER RESOURCES REQUIRED

The principal data requirements for effectively carrying out facilitation activities include the following:

- National plans;
- Status reports on national plans;
- Information on Egyptian investment policies and programs, executive orders, laws and acts (both actual laws, etc. and their interpretation);
- Administrative manuals for key agencies (GOFI, etc.);
- National statistics, economic, social, and industrial;
- Data on domestic technology (available technology, current uses and users in industry sectors of interest), and technology available abroad but not in Egypt;
- Data on markets (domestic and international--dimensions, growth, distribution characteristics, etc.);
- Information concerning economic, industrial, and financial structures (key producers, key financial institutions and representatives);
- Data on infrastructure (available infrastructure, conditions of and problems with local public works and programs to improve infrastructure);
- Investor applications, project status reports, investor profiles;
- Domestic and foreign joint venture investor lists;
- Procedural guidebooks, informational pamphlets and brochures;
- Sample permits, licenses, and application forms to distribute to investors;
- Special studies prepared by the Research Evaluation and Promotion Division for individual investors.

The key facilities required by Investor Services include a reception area, meeting rooms, a large conference room, telex facilities, xerox facilities, and mail access.

E. PRINCIPAL USERS

The key users of Investment Services would, of course, be domestic and foreign investors, both investor prospects who are in the pre-application and application stages, and approved investors who are in the process of project start-up on operations.

Both the International Promotion Offices and the domestic Regional Offices of the IIC in the various governorates would, however, make use of Investor Services in promoting and facilitating investor clients. In turn, individual Project Executives would rely on the international offices to provide them with a flow of interested potential investors and to assist in servicing the special needs of investors and trouble-shooting on a local or regional basis once investment operations are underway.

#### F. STAFF REQUIREMENTS AND QUALIFICATIONS

The staff required for Investor Services would range from six to nine professionals and from four to six assistants. The professional Project Executives should be senior, well educated, culturally sophisticated personnel who can relate well to top private-sector executives. They are the group which would have principal responsibility for representing Egypt and the Investment Authority with the investor on an ongoing day-to-day basis once the investor expresses serious interest in investing in Egypt. As such, they should be capable of establishing a compatible, "trusting" relationship with individual investors, so the investor would be encouraged to turn to the Project Executive for assistance and advice. To maintain this relationship, however, Project Executives must be seen by the investors as individuals who can provide the investor with solid advice and actually influence the response of those within the Investment Authority or elsewhere in the Government with whom the investor has to interact. Thus, the position ideally, calls for a dual capability: to be active and aggressive on the one hand, and yet be sensitive to Egyptian public sector practices and procedures on the other.

Project Executives typically have bachelor and/or masters degrees in commerce, engineering, or economics. They should have foreign language capabilities in English and, ideally, in one or more European languages. They should have some prior investment work in the public or private sector and should be capable of making financial assessments of private sector activity. They must be thoroughly familiar with the investment process in Egypt, the domestic and foreign investment community (manufacturers, trade and industry associations, banks, etc.) and the operation and structure of the Investment Authority and other government agencies.

APPENDIX VI

STAFFING

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## APPENDIX VI

### STAFFING

#### A. INTRODUCTION

This Appendix describes personnel requirements in terms of number, responsibilities and qualifications.

Staff for the IIC has been classified in six broad personnel levels on the basis of salary, experience, qualifications and responsibilities. They are as follows:

| <u>Level</u> | <u>Title</u>        |
|--------------|---------------------|
| 1            | Division Head       |
| 2            | Department Head     |
| 3            | Supervisor          |
| 4            | Senior Professional |
| 5            | Junior Professional |
| 6            | Support Staff       |

In general, levels 1 and 2 personnel have administrative, leadership and planning responsibility for the IIC and its administrative units. Some level 2 personnel have no administrative responsibilities and act as senior staff in sensitive and key activities requiring high level contact with foreigners, the private sector or government agencies. Level 3 personnel in general have supervisory operational responsibility. They also act as key personnel in IIC activities. Levels 4 and 5 personnel are the senior and junior staff respectively who perform the main activities of the IIC. Level 6 personnel provide the secretarial and clerical support functions.

Table A-VI-1 shows the salary structure and qualification standards adopted for the personnel classification used in this report.

All the IIC staff are expected to be of the highest professional caliber. The IIC is expected to be run as a professional organization similar to law or consulting firms with a sense of purpose, service to clients and pride.

PERSONNEL CLASSIFICATION

| Level | Title               | SALARY <sup>(1)</sup> |                   | Qualifications   |
|-------|---------------------|-----------------------|-------------------|--|
|       |                     | Average LE per Year   | Range LE per Year |  |
| 1     | Division Head       | 5,000                 | 4,250-5,750       | <ul style="list-style-type: none"> <li>• University degree</li> <li>• More than 10 years administrative experience</li> <li>• Leadership and planning capability</li> <li>• International experience and stature</li> <li>• Languages</li> </ul>   |
| 2     | Department Head     | 4,250                 | 3,500-5,000       | <ul style="list-style-type: none"> <li>• Administrative - same as above</li> <li>• Senior Staff                             <ul style="list-style-type: none"> <li>.. University degree</li> <li>.. Leadership</li> <li>.. Expert in a field or discipline</li> <li>.. More than 10 years experience</li> <li>.. National or International experience</li> <li>.. Languages</li> </ul> </li> </ul> |
| 3     | Supervisor          | 3,500                 | 2,750-4,250       | <ul style="list-style-type: none"> <li>• University degree</li> <li>• More than 5 years experience in investment area or Authority</li> <li>• More than 2 years experience as a senior Professional</li> <li>• Project or small group leadership capability</li> <li>• Field experience</li> <li>• Languages</li> </ul>  |
| 4     | Senior Professional | 2,750                 | 2,000-3,500       | <ul style="list-style-type: none"> <li>• University degree</li> <li>• More than 5 years experience in investment area or Authority</li> <li>• Independent research and investigation capability</li> <li>• Languages</li> </ul>  |
| 5     | Junior Professional | 2,000                 | 1,250-2,750       | <ul style="list-style-type: none"> <li>• University degree</li> <li>• More than 2 years experience in professional field</li> <li>• Languages</li> </ul>   |
| 6     | Support Staff       | 1,500                 | 1,000-2,000       | <ul style="list-style-type: none"> <li>• High School degree</li> <li>• Languages and Commerce training</li> </ul>  |

(1) Salaries include all overtime bonuses and other benefits. Such benefits may amount to 100-120% of base salary

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In making the recommendations in this report for staffing the IIC we are not unmindful of the difficulties inherent in building a staff of the caliber called for. Basically the problem is that the quality of staff needed is precisely that which is in high demand in the growing Egyptian private sector--which can and does provide higher monetary compensation, job for job, than the Authority can offer, even though the Authority can pay better salaries than most other comparable Egyptian Government agencies.

In the face of this fundamental difficulty, however, we believe that the Authority is far from powerless. This conclusion arises from the following line of reasoning:

- There are large numbers of well-trained, competent Egyptians serving less meaningful, and less well-compensated, positions elsewhere in Government. For this talent pool the Authority offers substantial attractions, even though transitional training may be called for.
- The Authority has at its disposal the additional incentive of the training program itself, including the possibility of foreign travel and even foreign service, an opportunity highly prized in the present Egyptian environment.
- The very nature of the Authority's function at the interface between the increasingly dynamic Egyptian private sector and the Government offers transitional career opportunities that should prove attractive, provided that the Authority recognizes the desirability of, and encourages a reasonable degree of, turnover in staff as outside opportunities materialize. The reputation of being an agency that is in effect a fast-moving career ladder has proved a powerful magnet for talented personnel in many countries around the world. While this reputation poses some difficulties, properly managed it can return rich rewards to the institution and to the individual career employee.
- For a while, at least, the Authority is in a position to strengthen its staff through associating with it a cadre of foreign specialists. This opportunity can serve not only to ease the transitional difficulties of the early period of staff building, and training, but as well can itself constitute an incentive for some Egyptians who wish to take advantage of working exposure to methods and techniques of the foreign specialists.
- There may be techniques available within Egyptian Government law and practice that can be used to increase the attractiveness of key IIC jobs even further. We have not explored these in any detail but have been advised that, given some ingenuity and determination, there may be options in this area open to the Authority but not yet developed.

In the light of the foregoing considerations, we have not hesitated to recommend high standards for the staff that the IIC must have. Its mission is so fundamentally important to the future of Egypt that no stone should be left unturned in the effort to make it a superb organization.

## B. BASIC DESIGN

### 1. Organization

The IIC under this design is organized in two departments--Information Services and Regional Offices (see Figure A-VI-1). Under the existing Authority structure, the IIC can be operated either as a new division or as a general department possibly within the Research, Studies, and Promotion Division or the Investment Division. For purposes of space and funding economy, we consider the minimum design and assume that the IIC will be headed by a level 2 Department Head who will also act as the Department Head for Information Services. Three units--Inquiry Services, Library Services and Data Services effectively constitute an Information Services Department. These units report to the IIC Directorate. Four units--Regional Offices 1, 2, 3 and 4 constitute the Regional Offices Department. The IIC Director together with the head of the Regional Offices Department would constitute the management group of the IIC who would be responsible for the operational policy direction of the IIC.

### 2. Number of Staff

Table A-VI-2 shows the estimated number of staff by personnel level for five years. In the first year of operation the IIC requires 34 people; by the fifth year it would require 45 people. 12 people are assigned to Regional Offices from the first year.

The table presents staff requirements by administrative unit. Department and Divisional directorates are shown as operating units.

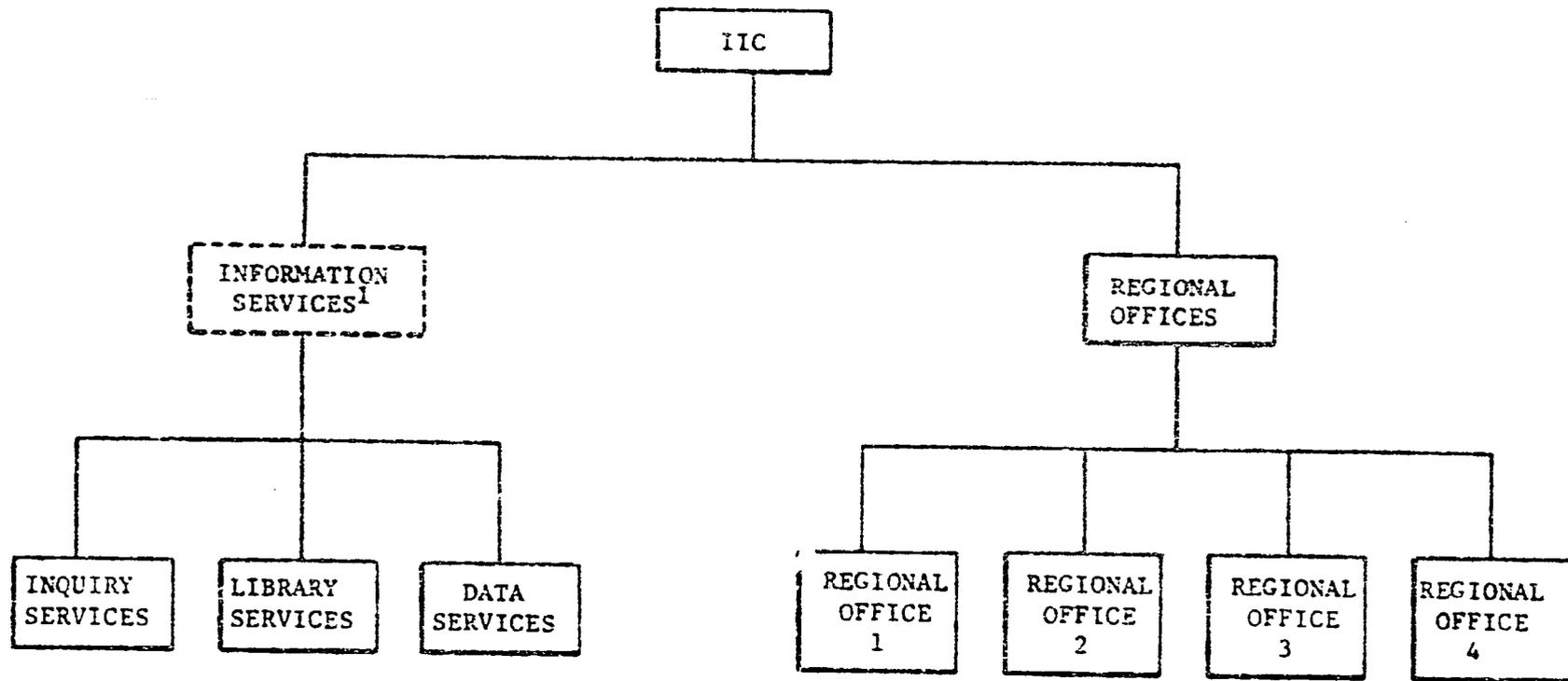
### 3. Specific Responsibilities

Typical task assignments for each level of personnel are provided below in order to indicate the responsibilities they would have.

#### a. IIC Directorate

##### • Level 2 Personnel:

- .. Direct the activities of the IIC.



<sup>1</sup>Information Services are managed by the IIC Director. The Inquiry, Library, and Data Services units report directly to the IIC Director.

FIGURE A-VI-1: BASIC DESIGN - IIC ORGANIZATION

TABLE A-VI-2

BASIC DESIGN

|         |   | <u>STAFF REQUIREMENTS</u> |          |          |          |          |
|---------|---|---------------------------|----------|----------|----------|----------|
|         |   | Year                      |          |          |          |          |
|         |   | <u>1</u>                  | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> |
| •       | <u>IIC Division Directorate</u>           | 2                         | 3        | 3        | 3        | 3        |
| Level 1 | Division Head                             |                           |          |          |          |          |
| 2       | Department Head                           | 1                         | 1        | 1        | 1        | 1        |
| 3       | Supervisor                                |                           |          |          |          |          |
| 4       | Senior Professional                       |                           |          |          |          |          |
| 5       | Junior Professional                       |                           | 1        | 1        | 1        | 1        |
| 6       | Support Staff                             | 1                         | 1        | 1        | 1        | 1        |
| •       | <u>Information Services (Directorate)</u> |                           |          |          |          |          |
| Level 1 | Division Head                             |                           |          |          |          |          |
| 2       | Department Head                           |                           |          |          |          |          |
| 3       | Supervisor                                |                           |          |          |          |          |
| 4       | Senior Professional                       |                           |          |          |          |          |
| 5       | Junior Professional                       |                           |          |          |          |          |
| 6       | Support Staff                             |                           |          |          |          |          |
| •       | <u>Inquiry Services</u>                   | 7                         | 7        | 9        | 10       | 10       |
| Level 1 | Division Head                             |                           |          |          |          |          |
| 2       | Department Head                           |                           |          |          |          |          |
| 3       | Supervisor                                |                           |          |          |          |          |
| 4       | Senior Professional                       | 1                         | 1        | 1        | 1        | 1        |
| 5       | Junior Professional                       | 2                         | 2        | 3        | 3        | 3        |
| 6       | Support Staff                             | 2                         | 2        | 2        | 3        | 3        |
| •       | <u>Library Services</u>                   | 5                         | 6        | 7        | 7        | 7        |
| Level 1 | Division Head                             |                           |          |          |          |          |
| 2       | Department Head                           |                           |          |          |          |          |
| 3       | Supervisor                                |                           |          |          |          |          |
| 4       | Senior Professional                       | 1                         | 1        | 1        | 1        | 1        |
| 5       | Junior Professional                       | 1                         | 1        | 2        | 2        | 2        |
| 6       | Support Staff                             | 1                         | 2        | 2        | 2        | 2        |
| •       | <u>Data Services</u>                      | 5                         | 7        | 8        | 10       | 10       |
| Level 1 | Division Head                             |                           |          |          |          |          |
| 2       | Department Head                           |                           |          |          |          |          |
| 3       | Supervisor                                |                           |          |          |          |          |
| 4       | Senior Professional                       | 1                         | 1        | 1        | 1        | 1        |
| 5       | Junior Professional                       | 2                         | 2        | 3        | 3        | 3        |
| 6       | Support Staff                             | 1                         | 2        | 2        | 3        | 3        |

TABLE A-VI-2 (cont.)

|   | Year     |          |          |          |          |
|---|----------|----------|----------|----------|----------|
|   | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> |
| • <u>Regional Offices (Directorate)</u> | 3        | 3        | 3        | 3        | 3        |
| Level 1 Division Head                   |          |          |          |          |          |
| 2 Department Head                       | 1        | 1        | 1        | 1        | 1        |
| 3 Supervisor                            |          |          |          |          |          |
| 4 Senior Professional                   |          |          |          |          |          |
| 5 Junior Professional                   | 1        | 1        | 1        | 1        | 1        |
| 6 Support Staff                         | 1        | 1        | 1        | 1        | 1        |
| • <u>Regional Offices</u>               | 12       | 12       | 12       | 12       | 12       |
| Level 1 Division Head                   |          |          |          |          |          |
| 2 Department Head                       |          |          |          |          |          |
| 3 Supervisor                            | 4        | 4        | 4        | 4        | 4        |
| 4 Senior Professional                   |          |          |          |          |          |
| 5 Junior Professional                   | 4        | 4        | 4        | 4        | 4        |
| 6 Support Staff                         | 4        | 4        | 4        | 4        | 4        |
| <u>Total Cairo</u>                      | 22       | 26       | 31       | 33       | 33       |
| Level 1 Division Head                   |          |          |          |          |          |
| 2 Department Head                       | 2        | 2        | 2        | 2        | 2        |
| 3 Supervisor                            | 3        | 3        | 3        | 3        | 3        |
| 4 Senior Professional                   | 5        | 5        | 8        | 8        | 8        |
| 5 Junior Professional                   | 5        | 8        | 9        | 10       | 10       |
| 6 Support Staff                         | 7        | 8        | 9        | 10       | 10       |
| <u>Total Regions</u>                    | 12       | 12       | 12       | 12       | 12       |
| Level 1 Division Head                   |          |          |          |          |          |
| 2 Department Head                       |          |          |          |          |          |
| 3 Supervisor                            | 4        | 4        | 4        | 4        | 4        |
| 4 Senior Professional                   |          |          |          |          |          |
| 5 Junior Professional                   | 4        | 4        | 4        | 4        | 4        |
| 6 Support Staff                         | 4        | 4        | 4        | 4        | 5        |
| <u>Total IIC</u>                        | 34       | 38       | 43       | 45       | 45       |
| Level 1 Division Head                   |          |          |          |          |          |
| 2 Department Head                       | 2        | 2        | 2        | 2        | 2        |
| 3 Supervisor                            | 7        | 7        | 7        | 7        | 7        |
| 4 Senior Professional                   | 5        | 5        | 8        | 8        | 8        |
| 5 Junior Professional                   | 9        | 12       | 13       | 14       | 14       |
| 6 Support Staff                         | 11       | 12       | 13       | 14       | 14       |

- .. Coordinate all activities and programs and resolve conflicts,
- .. Report to the Authority on IIC activities,
- .. Provide leadership and guidance to all operating units,
- .. Represent the IIC in seminars and other promotional meetings,
- .. Organize educational seminars promoting investment,
- .. Promote the IIC within the Authority and in government agencies,
- .. Review personnel and IIC performance,
- .. Establish and monitor performance measurements, and
- .. Act as head of an Information Services Department.
- Level 5 Personnel:
  - .. Assist the IIC Director in all areas of his work, and
  - .. Perform tasks as required by the IIC Director.
- Level 6 Personnel:
  - .. Provide secretarial and clerical support services to the IIC Director and the head of the Regional Offices Department.
- b. Inquiry Services
  - Level 3 Personnel:
    - .. Supervise the quality of the work performed by all staff members in the unit,
    - .. Provide guidance, leadership and training for lower-level personnel,
    - .. Plan and organize the work level in the unit, develop operational procedures,
    - .. Establish contacts with government agencies and the Authority and be up to date on organizational policy and procedural issues concerning investment,
    - .. Seek information material,
    - .. Communicate "client" concerns and comments to the Authority, and
    - .. Contribute to the unit work effort.
  - Levels 4 and 5 Personnel:
    - .. Respond to oral and written inquiries about Egypt in general and investment in particular,
    - .. Refer questions outside the scope of the Authority to the appropriate authorities, and
    - .. Assist "clients" with application forms and any other problem areas they may have requiring reference or guidance.

- Level 6 Personnel:
  - .. Provide secretarial, clerical and other support services to the unit.
- c. Library Services
  - Level 3 Personnel:
    - .. Supervise the quality of the work performed by all staff members in the library,
    - .. Provide guidance, leadership and training for lower level personnel,
    - .. Plan and organize the work level in the library, develop operational procedures,
    - .. Assign specific tasks to library personnel,
    - .. Distribute periodically lists of new acquisitions and inform Authority staff of new services and notes of interest,
    - .. Acquire publications, subscribe to services, make decisions on the library collection, and
    - .. Communicate with Authority personnel to identify areas of interest to search for notes of interest.
  - Levels 4 and 5 Personnel:
    - .. Respond to questions on information and how to search for it,
    - .. Assist library users with all library services,
    - .. Maintain files,
    - .. Operate terminals,
    - .. Provide bibliographic services,
    - .. Screen publications to discover notes of interest for distribution to Authority personnel,
    - .. Organize seminars on subjects of interest, and
    - .. Maintain a clipping service.
- d. Data Services
  - Level 3 Personnel.
    - .. Supervise the quality of the work performed by all staff members in the unit,
    - .. Provide guidance, leadership and training for lower-level personnel,
    - .. Plan and organize the work level in the unit, develop operational procedures,
    - .. Develop "client" relationships with other Authority departments,

- .. Assign tasks and review work output, and
- .. Contribute to the unit work effort.

e. Regional Offices

● Level 2 Personnel:

- .. Develop programs for the Regional Offices and coordinate activities of the Regional Offices,
- .. Provide guidance and leadership to the Regional Offices, and
- .. Participate in ICC management decisions.

● Level 3 Personnel:

- .. Supervise the work conducted in the Regional Offices,
- .. Establish contacts with regional government authorities,
- .. Plan and organize the work level in the Regional Offices, develop operational procedures, and
- .. Organize educational activities to promote investment.

● Level 5 Personnel:

- .. Respond to oral and written inquiries about the region,
- .. Assist "clients" with application forms and any other problem areas they may have requiring reference or guidance, and
- .. Refer inquiries to appropriate IIC and Authority units.

● Level 6 Personnel:

- .. Provide secretarial, clerical and other support services to the Regional Offices.

4. Professional Staff Qualifications

Professional staff qualifications for this design may be summarized as follows:

● Management and Coordination (Directors of the IIC, Information Services, and Regional Offices):

- .. Academic degrees in the fields of public administration, commerce, engineering, or law,
- .. More than ten years experience in professional or administrative work,
- .. General familiarity with government operations, procedures, regulatory approvals and administration,
- .. Foreign language capability, and
- .. Leadership, planning, and program development capability.

● Inquiry Services:

- .. Academic degrees in law, commerce, or public administration,

- .. More than five years experience for senior staff,
  - .. Familiarity with the Egyptian economy and investment process,
  - .. Familiarity with Law 43 policies, rules, procedures and implementation,
  - .. Familiarity with government agencies, organizations, responsibilities and functions,
  - .. Foreign language and communications capability, and
  - .. Inquisitiveness and service orientation.
- Library Services:
    - .. Academic degrees in library services, commerce, or literature,
    - .. More than five years experience for senior staff,
    - .. Familiarity with international business, economic development and public policy publications,
    - .. Familiarity with library services--circulation, indexing, literature search,
    - .. Foreign language and information organization capability, and
    - .. Inquisitiveness and service orientation.
- Data Services:
    - .. Academic degrees in engineering, science, or planning,
    - .. More than five years experience for senior staff,
    - .. Familiarity with the Egyptian economy and investment process,
    - .. Familiarity with data processing, data banks and statistical analysis,
    - .. Foreign language and communications capability, and
    - .. Problem-solving and service orientation.
- Regional Offices:
    - .. Academic degrees in engineering, law, commerce, or planning,
    - .. More than five years experience for senior staff,
    - .. Familiarity with the Egyptian economy and investment process,
    - .. Familiarity with regional economy and resources,
    - .. Familiarity with government agencies, organizations, responsibilities and functions, particularly governorate-central government relationships,
    - .. Familiarity with Law 43 policies, rules, procedures and implementation, and
    - .. Service orientation.

## C. COMPREHENSIVE DESIGN

### 1. Organization

The IIC under this design is organized in five departments--Information Services, Investor Services, Promotion, Foreign Offices and Regional Offices (see Figure A-VI-2). Under the existing Authority structure the IIC can be operating preferably as a new division. The IIC would be headed by a level 1 Division Head. The department heads together with the IIC director would constitute the management group of the IIC who would be responsible for the operational policy direction of the IIC.

Three units--Inquiry Services, Library Services and Data Services constitute the Information Services Department. Four units--Regional Offices 1, 2, 3 and 4 constitute the Regional Offices Department. Two units--Marketing and Promotional Materials constitute the Promotion Department. Six units--Foreign Offices, one in the Middle East, two in the U.S., two in Europe and one in Japan constitute the Foreign Offices Department. The Investor Services Department may be divided into units on the basis of technology groupings.

### 2. Number of Staff

Table A-VI-3 shows the estimated number of staff by personnel level for five years. In the first year of operations the IIC requires 75 people, by the fifth year it would require 121 people. 12 people are assigned to Regional Offices from the first year. 12 people are assigned to Foreign Offices the first year. that number would grow to 24 by the fifth year.

The table presents staff requirements by administrative units. Department and divisional directorates are shown as operating units.

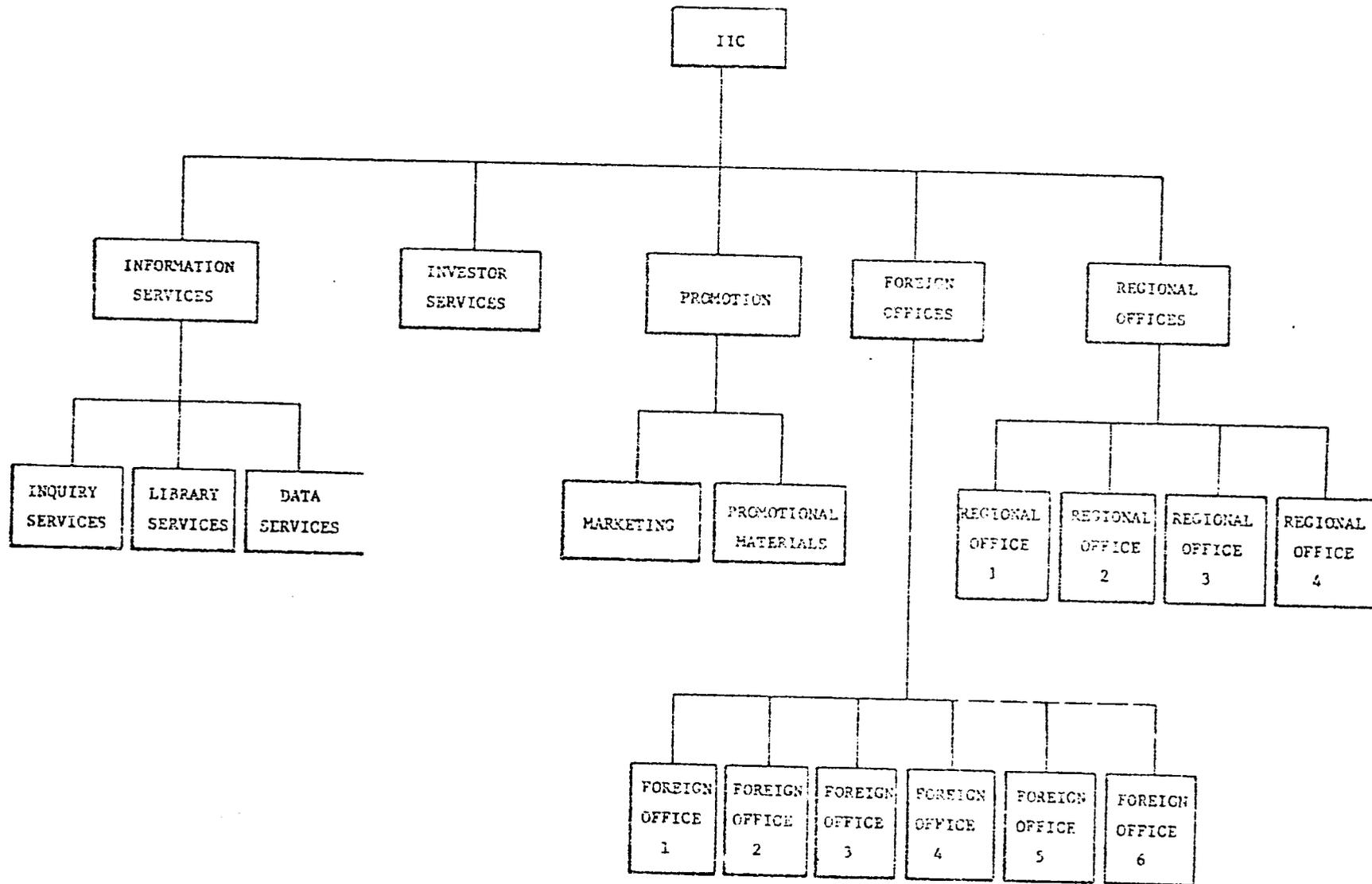
### 3. Specific Responsibilities

Typical task assignments for each level of personnel are provided below in order to indicate the responsibilities they would have.

#### IIC Directorate

##### • Level 1 Personnel:

- .. Direct the activities of IIC on an overall basis,
- .. Develop overall IIC operating policy,
- .. Report to the Authority on IIC matters



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FIGURE A-VI-2: COMPREHENSIVE DESIGN - IIC ORGANIZATION

TABLE A-VI-3

COMPREHENSIVE DESIGN

STAFF REQUIREMENTS

|         |   | Year     |          |          |          |          |
|---------|---|----------|----------|----------|----------|----------|
|         |   | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> |
| •       | <u>IIC Division Directorate</u>           | 5        | 5        | 7        | 7        | 7        |
| Level 1 | Division Head                             | 1        | 1        | 1        | 1        | 1        |
| 2       | Department Head                           | 1        | 1        | 1        | 1        | 1        |
| 3       | Supervisor                                |          |          |          |          |          |
| 4       | Senior Professional                       |          |          | 1        | 1        | 1        |
| 5       | Junior Professional                       | 1        | 1        | 1        | 1        | 1        |
| 6       | Support Staff                             | 2        | 2        | 3        | 3        | 3        |
| •       | <u>Information Services (Directorate)</u> | 2        | 3        | 3        | 3        | 3        |
| Level 1 | Division Head                             |          |          |          |          |          |
| 2       | Department Head                           | 1        | 1        | 1        | 1        | 1        |
| 3       | Supervisor                                |          |          |          |          |          |
| 4       | Senior Professional                       |          |          |          |          |          |
| 5       | Junior Professional                       |          | 1        | 1        | 1        | 1        |
| 6       | Support Staff                             | 1        | 1        | 1        | 1        | 1        |
| •       | <u>Inquiry Services</u>                   | 7        | 7        | 9        | 10       | 10       |
| Level 1 | Division Head                             |          |          |          |          |          |
| 2       | Department Head                           |          |          |          |          |          |
| 3       | Supervisor                                | 1        | 1        | 1        | 1        | 1        |
| 4       | Senior Professional                       | 2        | 2        | 3        | 3        | 3        |
| 5       | Junior Professional                       | 2        | 2        | 2        | 3        | 3        |
| 6       | Support Staff                             | 2        | 2        | 3        | 3        | 3        |
| •       | <u>Library Services</u>                   | 5        | 6        | 7        | 7        | 7        |
| Level 1 | Division Head                             |          |          |          |          |          |
| 2       | Department Head                           |          |          |          |          |          |
| 3       | Supervisor                                | 1        | 1        | 1        | 1        | 1        |
| 4       | Senior Professional                       | 1        | 1        | 2        | 2        | 2        |
| 5       | Junior Professional                       | 1        | 2        | 2        | 2        | 2        |
| 6       | Support Staff                             | 2        | 2        | 2        | 2        | 2        |
| •       | <u>Data Services</u>                      | 5        | 7        | 8        | 10       | 10       |
| Level 1 | Division Head                             |          |          |          |          |          |
| 2       | Department Head                           |          |          |          |          |          |
| 3       | Supervisor                                | 1        | 1        | 1        | 1        | 1        |
| 4       | Senior Professional                       | 2        | 2        | 3        | 3        | 3        |
| 5       | Junior Professional                       | 1        | 2        | 2        | 3        | 3        |
| 6       | Support Staff                             | 1        | 2        | 2        | 3        | 3        |

TABLE A-VI-3 (Cont.)

|         |                                       | Year     |          |          |          |          |
|---------|---------------------------------------|----------|----------|----------|----------|----------|
|         |                                       | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> |
| •       | <u>Investor Services</u>              | 11       | 15       | 17       | 24       | 24       |
| Level 1 | Division Head                         |          |          |          |          |          |
| 2       | Department Head                       |          |          |          |          |          |
| 3       | Supervisor                            | 2        | 3        | 3        | 4        | 4        |
| 4       | Senior Professional                   | 2        | 3        | 3        | 4        | 4        |
| 5       | Junior Professional                   | 2        | 3        | 3        | 4        | 4        |
| 6       | Support Staff                         | 2        | 2        | 3        | 6        | 6        |
|         |                                       | 3        | 4        | 5        | 6        | 6        |
| •       | <u>Promotion</u>                      | 9        | 12       | 15       | 15       | 15       |
| Level 1 | Division Head                         |          |          |          |          |          |
| 2       | Department Head                       |          |          |          |          |          |
| 3       | Supervisor                            | 1        | 1        | 1        | 1        | 1        |
| 4       | Senior Professional                   | 2        | 2        | 2        | 2        | 2        |
| 5       | Junior Professional                   | 2        | 3        | 4        | 4        | 4        |
| 6       | Support Staff                         | 2        | 3        | 4        | 4        | 4        |
|         |                                       | 2        | 3        | 4        | 4        | 4        |
| •       | <u>Foreign Offices (Directorate)</u>  | 4        | 4        | 5        | 6        | 6        |
| Level 1 | Division Head                         |          |          |          |          |          |
| 2       | Department Head                       |          |          |          |          |          |
| 3       | Supervisor                            | 1        | 1        | 1        | 1        | 1        |
| 4       | Senior Professional                   | 1        | 1        | 1        | 1        | 1        |
| 5       | Junior Professional                   |          |          | 1        | 1        | 1        |
| 6       | Support Staff                         | 1        | 1        | 1        | 1        | 1        |
|         |                                       | 1        | 1        | 1        | 2        | 2        |
| •       | <u>Foreign Offices</u>                | 12       | 16       | 20       | 24       | 24       |
| Level 1 | Division Head                         |          |          |          |          |          |
| 2       | Department Head                       |          |          |          |          |          |
| 3       | Supervisor                            | 3        | 4        | 5        | 6        | 6        |
| 4       | Senior Professional                   | 3        | 4        | 5        | 6        | 6        |
| 5       | Junior Professional                   | 3        | 4        | 5        | 6        | 6        |
| 6       | Support Staff                         | 3        | 4        | 5        | 6        | 6        |
| •       | <u>Regional Offices (Directorate)</u> | 3        | 3        | 3        | 3        | 3        |
| Level 1 | Division Head                         |          |          |          |          |          |
| 2       | Department Head                       |          |          |          |          |          |
| 3       | Supervisor                            | 1        | 1        | 1        | 1        | 1        |
| 4       | Senior Professional                   |          |          |          |          |          |
| 5       | Junior Professional                   |          |          |          |          |          |
| 6       | Support Staff                         | 1        | 1        | 1        | 1        | 1        |
|         |                                       | 1        | 1        | 1        | 1        | 1        |

TABLE A-VI-3 (Cont.)

|                      |                         | Year     |          |          |          |          |
|----------------------|-------------------------|----------|----------|----------|----------|----------|
|                      |                         | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5</u> |
| •                    | <u>Regional Offices</u> | 12       | 12       | 12       | 12       | 12       |
| Level 1              | Division Head           |          |          |          |          |          |
| 2                    | Department Head         | 4        | 4        | 4        | 4        | 4        |
| 3                    | Supervisor              |          |          |          |          |          |
| 4                    | Senior Professional     |          |          |          |          |          |
| 5                    | Junior Professional     | 4        | 4        | 4        | 4        | 4        |
| 6                    | Support Staff           | 4        | 4        | 4        | 4        | 4        |
| <u>Total Cairo</u>   |                         | 51       | 62       | 75       | 85       | 85       |
| Level 1              | Division Head           | 1        | 1        | 1        | 1        | 1        |
| 2                    | Department Head         | 7        | 8        | 8        | 9        | 9        |
| 3                    | Supervisor              | 8        | 9        | 9        | 10       | 10       |
| 4                    | Senior Professional     | 9        | 11       | 17       | 18       | 18       |
| 5                    | Junior Professional     | 11       | 15       | 18       | 22       | 22       |
| 6                    | Support Staff           | 15       | 18       | 22       | 25       | 25       |
| <u>Total Abroad</u>  |                         | 12       | 16       | 20       | 24       | 24       |
| Level 1              | Division Head           |          |          |          |          |          |
| 2                    | Department Head         | 3        | 4        | 5        | 6        | 6        |
| 3                    | Supervisor              | 3        | 4        | 5        | 6        | 6        |
| 4                    | Senior Professional     | 3        | 4        | 5        | 6        | 6        |
| 5                    | Junior Professional     |          |          |          |          |          |
| 6                    | Support Staff           | 3        | 4        | 5        | 6        | 6        |
| <u>Total Regions</u> |                         | 12       | 12       | 12       | 12       | 12       |
| Level 1              | Division Head           |          |          |          |          |          |
| 2                    | Department Head         | 4        | 4        | 4        | 4        | 4        |
| 3                    | Supervisor              |          |          |          |          |          |
| 4                    | Senior Professional     |          |          |          |          |          |
| 5                    | Junior Professional     | 4        | 4        | 4        | 4        | 4        |
| 6                    | Support Staff           | 4        | 4        | 4        | 4        | 4        |
| <u>Total IIC</u>     |                         | 75       | 90       | 107      | 121      | 121      |
| Level 1              | Division Head           | 1        | 1        | 1        | 1        | 1        |
| 2                    | Department Head         | 10       | 12       | 13       | 15       | 15       |
| 3                    | Supervisor              | 15       | 17       | 18       | 20       | 20       |
| 4                    | Senior Professional     | 12       | 15       | 22       | 24       | 24       |
| 5                    | Junior Professional     | 15       | 19       | 22       | 26       | 26       |
| 6                    | Support Staff           | 22       | 26       | 31       | 35       | 35       |

- .. Participate in Authority policy matters,
- .. Resolve any personnel, programmatic or budget conflicts,
- .. Represent the IIC in international forums,
- .. Chair organizational management meetings,
- .. Represent the IIC in government circles, and
- .. Promote the IIC within the Authority and in government agencies.

- Level 2 Personnel:

- .. Assist the IIC director in the management of the IIC,
- .. Direct the activities of IIC on a day-to-day basis,
- .. Coordinate all activities and programs and resolve conflicts,
- .. Provide leadership and guidance to all operating units,
- .. Participate in seminars and other promotional meetings,
- .. Organize educational seminars promoting investment,
- .. Establish and monitor performance measurements, and

- Levels 3 and 5 Personnel:

- .. Assist the IIC levels 1 and 2 personnel discharge their responsibilities, and
- .. Perform tasks as requested by the IIC directors.

- Level 6 Personnel:

- .. Provide secretarial and clerical support services to the IIC directorate personnel.

- b. Information Services

- Level 2 Personnel:

- .. Direct the activities of the Information Services Department,
- .. Participate in IIC management decisions,
- .. Coordinate all departmental activities and programs and resolve conflicts,
- .. Plan and initiate departmental activities,
- .. Report to the IIC directorate on Information Services activities,
- .. Provide leadership and guidance to the Inquiry, Library and Data Services units, and
- .. Organize educational seminars supporting investment.

- Level 5 Personnel:

- .. Assist the Department Head in all aspects of his work, and
- .. Perform tasks as required by the Department Head.

- Level 6 Personnel:
  - .. Provide secretarial and clerical support services to the Department Head and his assistant.
- Personnel for Inquiry, Library and Data Services Units:
  - .. Typical task assignments for each level of personnel in these units are the same as those described for the Basic Design, see B.I.b., above.
- c. Investor Services
  - Level 2 Personnel - Administrative:
    - .. Direct the activities of the Investor Services Department,
    - .. Participate in IIC management decisions,
    - .. Coordinate all departmental activities and programs and resolve conflicts,
    - .. Plan and initiate departmental activities,
    - .. Report to the IIC directorate on Investor Services activities,
    - .. Provide leadership and guidance to department staff, and
    - .. Assign project follow-up to personnel.
  - Level 2 Personnel - Senior Staff:
    - .. Establish contacts with Egyptian business community and be up-to-date with the investment activity,
    - .. Establish liaison with IIC Foreign Offices,
    - .. Assist prospective investors with project problems,
    - .. Provide guidance to prospective investors on the probability of project approval and expectations of incentives,
    - .. Seek joint venture partners,
    - .. Provide preliminary assessment of projects,
    - .. Request data and other information from IIC units and other government agencies or private sector to assist investors,
    - .. Act as "project executive" for a project and be the principal contact point between the Investor and the Authority,
    - .. Coordinate Investors visits in Egypt, and
    - .. Supervise the work of lower level personnel whenever teams are formed to assist a project, i.e., act as team leader.
  - Level 3 Personnel:
    - .. Perform tasks similar to Level 2 personnel described above, and
    - .. Assist Level 2 personnel in team efforts.

• Levels 4 and 5 Personnel:

- .. Perform tasks similar to Levels 2 and 3 personnel described above but narrower in scope,
- .. Assist levels 2 and 3 personnel in team efforts, and
- .. Perform tasks as assigned by levels 2 and 3 personnel.

• Level 6 Personnel:

- .. Provide secretarial, clerical and other support services to the department.

d. Promotion

• Level 2 Personnel:

- .. Direct the activities of the Promotion Department,
- .. Participate in IIC management decisions,
- .. Coordinate all departmental activities and programs and resolve conflicts,
- .. Plan and initiate advertising and promotional campaigns,
- .. Participate in international promotional activities,
- .. Provide leadership and guidance to department staff,
- .. Select advertising and public relations agencies, approve advertising materials, media campaigns and authorize budgets for such expenditures, and
- .. Entertain visiting officials involved in promotion and investment matters.

• Level 3 Personnel:

- .. Supervise the quality of the work performed by all staff members in the unit,
- .. Provide guidance, leadership and training for lower level personnel,
- .. Plan and organize the work level in the unit, develop operational procedures,
- .. Establish contacts with the media and advertising community,
- .. Design and coordinate production of promotional materials, and
- .. Organize and coordinate promotional activities such as participation in fairs, touring of journalists and businessmen and official delegations.

• Level 4 and 5 Personnel:

- .. Assist Levels 2 and 3 personnel perform their tasks,
- .. Design and produce promotional materials, and
- .. Advise other IIC units on editorial, form and artistic matters.

- Level 6 Personnel:
  - .. Provide secretarial, clerical and other support services to the Promotion Department.
- e. Foreign Offices (Cairo Headquarters)
  - Level 2 Personnel:
    - .. Direct the activities of the Foreign Offices Department,
    - .. Participate in IIC management decisions,
    - .. Coordinate all departmental activities and programs and resolve conflicts,
    - .. Plan and initiate the departmental activities; set targets of performance, establish priorities and assign tasks,
    - .. Coordinate activities with the Department of External Affairs and the Commercial Service,
    - .. Coordinate Foreign Office activities with the domestic IIC activities, and
    - .. Participate in international forums concerning investment matters.
  - Level 3 Personnel:
    - .. Perform tasks similar to Level 2 personnel described above,
    - .. Assist the Department Head in performing his tasks, and
    - .. Coordinate information and promotional material support requests with the appropriate Information Services and Promotion Department units.
  - Levels 4 and 5 Personnel:
    - .. Perform tasks similar to Level 2 and 3 personnel described above but narrower in scope, and
    - .. Perform tasks as assigned by Level 2 and 3 personnel.
  - Level 6 Personnel:
    - .. Provide secretarial and clerical and other support service to the department.
- f. Foreign Offices (Abroad)
  - Level 2 Personnel:
    - .. Direct the activities of the Foreign Office,
    - .. Plan and organize work effort of the Foreign Office and develop operational procedures,
    - .. Initiate contact with local prospective investors,
    - .. Establish contacts with local government agencies, financial and commercial circles and be up-to-date with market intelligence,

- .. Participate in high level meetings and present investment opportunities in Egypt, and
- .. Provide guidance, leadership and training for lower-level personnel.

- Level 3 Personnel:

- .. Perform tasks similar to Level 2 described above,
- .. Respond to oral and written inquiries about Egypt in general and investment in particular,
- .. Refer prospective investors to appropriate personnel in Investment Services Department in Cairo, and
- .. Assist prospective investors with application forms and any other problem area they may have requiring reference or guidance.

- Levels 4 and 5 Personnel:

- .. Perform tasks similar to levels 2 and 3 personnel described above but narrower in scope,
- .. Assist levels 2 and 3 personnel in team presentations, and
- .. Perform tasks assigned by levels 2 and 3 personnel.

- Level 6 Personnel:

- .. Provide secretarial and clerical support services for the office.

g. Regional Offices

- .. Typical task assignments for each level of personnel in this department are the same as those described for the Basic Design, see B.I.B., above.

4. Professional Staff Qualifications

Professional staff qualifications for this design may be summarized as follows:

- Management and Coordination (Director of the IIC, all Department Heads)
  - .. Academic degrees in the fields of public administration, commerce, engineering, law, or journalism.
  - .. More than ten years experience in professional or administrative work,
  - .. Familiarity with Law 43 policy, rules and implementation,
  - .. General familiarity with government operations, procedures, regulatory approvals and administration,
  - .. General familiarity with private sector decision making process,
  - .. Foreign language capability, and
  - .. Leadership, planning, program development and management capability.

- Information Services:
  - .. Professional staff qualifications for this department are the same as those described for the Basic Design, see B.1.c., above.
- Investor Services:
  - .. Academic degrees in engineering, commerce, or planning,
  - .. More than five years experience for senior staff,
  - .. Familiarity with the Egyptian economy and investment policy,
  - .. Familiarity with world wide as well as Egypt specific technology and markets,
  - .. Familiarity with Egypt's private sector capabilities,
  - .. Familiarity with government agencies, organizations responsibilities and functions,
  - .. Familiarity with Law 43 policies, rules, procedures and implementation,
  - .. Foreign language and communication capability, and
  - .. Problem resolution and service orientation.
- Promotion:
  - .. Academic degrees in communication, commerce, art, literature, languages or journalism,
  - .. More than five years experience for senior staff,
  - .. General familiarity with Law 43 policies,
  - .. Familiarity with communication, media and advertising techniques,
  - .. Information organization and presentation capability, and
  - .. Communication and artistic orientation.
- Foreign Offices:
  - .. Academic degrees in commerce, engineering, law, or journalism,
  - .. More than five years experience for senior staff,
  - .. Familiarity with international business activities,
  - .. Familiarity with the Egyptian economy and investment process,
  - .. Familiarity with Law 43 rules, procedures and implementation,
  - .. Familiarity with government agencies, organizations, responsibilities and functions, and
  - .. Foreign language and communications capability.

APPENDIX VII

TRAINING

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## APPENDIX VII

### TRAINING

#### A. TRAINING REQUIRED TO FIT THE NEEDS OF AN IIC

The overall objective of training in any organization must be:

- To ensure that everyone within the organization is qualified to do his or her job, both as it now exists and as it is expected to be in one or two years time; and
- To prepare selected individuals for advancement within the organization.

At this time, while the IIC is still in the design stage, we can concentrate on only the first of these two parts of the overall objective.

The first step to be taken in ensuring that everyone in the IIC is qualified to do his or her job is to make a comparison between the professional and technical skills possessed by people currently employed by the Authority, and the professional and technical skills needed to perform the functions specified in this report. Where the skills possessed fall short of the skills required, the Authority is forced to make a decision faced by many business enterprises: make or buy? A "make" decision implies that any difference between the skills required and the skills possessed will be corrected by providing training for existing staff. A "buy" decision implies that any difference between the skills required and the skills possessed will be corrected by hiring new personnel who are already qualified in the required areas of skill.

Many of the required skills are, indeed, currently possessed by members of the Authority's staff and it is impractical to suggest that all of the remaining skills can be obtained by hiring new personnel. Some essential characteristics--especially experience--can only be obtained by hiring new personnel, but for the most part, the Authority must plan on providing all of the training necessary to bring its members up to the levels of professional and technical skill required to staff the IIC.

## 1. Information Services

Under the general heading of Information Services, there are three areas: Inquiry Services, Library Services and Data Services. Table A-VII-1 shows the breadth of experience that is recommended for staffing these areas for the Information Services Department of the IIC. Requirements for people with degrees in certain fields, shown as a solid circle (●) in Table A-VII-1, will, in general, be satisfied by filling these positions with people who already hold the necessary qualifications. Short programs, of six to eight weeks duration, in other fields of study may be provided for staff members in three different ways:

- a. Locally-staged (in Cairo or Alexandria) programs using a locally-resident instructor. These programs may either be developed specifically for the Authority or they may be part of the normal offering of a university. A series of lectures and discussions on the role of the Authority in industrial development, investment policies and procedures, and Law 43 is an example of a short program that might be developed specifically for the Authority (inviting participants from other Government agencies involved in the industrial development process). Courses in basic business and management skills and computer technology that are offered by the Department of Management Sciences and by the Computer Center of the American University of Cairo are examples of the second type of locally staged programs, using locally-resident instructors, in which the Authority might enroll members of its staff.
- b. Locally-staged (in Cairo or Alexandria) programs using an overseas-resident instructor. These programs would, of necessity, be highly concentrated, requiring the participants to be relieved of all other duties during the full period of the course. (locally-staged programs that use locally-resident instructors may, by comparison be presented only two or three times a week, for periods of only one and one-half or two hours per session.)
- c. Overseas programs such as those offered by European universities (the University of Bradford is a prime example) and other institutions such as the Industrial Development Authority (IDA) of Ireland, and indeed, Arthur D. Little Management Education Institute.

TABLE A-VII-1  
 TRAINING REQUIRED BY INFORMATION SERVICES STAFF

Key:  
 ● Degree Programs  
 ○ Short Programs

|                             | Number of Positions | Egyptian Government Investment Policy and Procedures | English Language (or French or German) | Communication Skills | Accounting | Financial Analysis | Economics | Statistics | Library Science | Computer Science | Research | Law, Business or Public Administration | Engineering |
|-----------------------------|---------------------|--|--|----------------------|------------|--------------------|-----------|------------|-----------------|------------------|----------|--|-------------|
| <b>Information Services</b> |                     |  |  |                      |            |                    |           |            |                 |                  |          |  |             |
| Level 2                     | 1                   | ○  | ○                                      | ○                    |            |                    |           |            |                 |                  |          |  |             |
| Level 5                     | 1                   | ○  | ○                                      | ○                    |            |                    | ●         |            |                 |                  |          | ●                                      |             |
| Level 6                     | 1                   |  | ○                                      |                      |            |                    |           |            |                 |                  |          |  |             |
| <b>Inquiry Services</b>     |                     |  |  |                      |            |                    |           |            |                 |                  |          |  |             |
| Level 3                     | 1                   | ○  | ○                                      | ○                    | ○          | ○                  |           |            |                 |                  | ○        | ●                                      | ●           |
| Level 4                     | 3                   | ○○○  | ○○○                                    | ○○○                  | ○○○        | ○○                 | ●         |            |                 |                  | ○ ○      | ● ●                                    | ● ●         |
| Level 5                     | 3                   | ○○○  | ○○○                                    |                      | ○○○        | ○○                 | ●         |            |                 |                  | ○ ○ ○    | ● ● ●                                  | ● ●         |
| Level 6                     | 3                   |  | ○                                      |                      | ○○○        | ○○                 | ●         |            |                 |                  |          | ● ●                                    | ● ●         |
| <b>Library Services</b>     |                     |  |  |                      |            |                    |           |            |                 |                  |          |  |             |
| Level 3                     | 1                   | ○  | ○                                      | ○                    |            |                    |           |            | ●               |                  |          |  |             |
| Level 4                     | 2                   |  | ○                                      |                      |            |                    | ●         |            | ●               |                  |          |  |             |
| Level 5                     | 2                   |  | ○                                      |                      |            |                    |           |            | ● ●             |                  | ○        |  |             |
| Level 6                     | 2                   |  | ○                                      |                      |            |                    |           |            | ○ ○             |                  |          |  |             |
| <b>Data Services</b>        |                     |  |  |                      |            |                    |           |            |                 |                  |          |  |             |
| Level 3                     | 1                   | ○  | ○                                      | ○                    |            |                    |           |            |                 |                  |          |  |             |
| Level 4                     | 3                   | ○○○  | ○○○                                    | ○○○                  |            |                    | ● ● ●     | ○ ○        |                 |                  |          |  |             |
| Level 5                     | 3                   | ○○○  | ○○○                                    |                      | ○○         | ○                  | ● ● ●     | ○ ○        |                 | ● ○ ○ ○          |          |  | ●           |
| Level 6                     | 3                   |  | ○                                      |                      |            |                    |           |            |                 |                  |          |  |             |

A-VII-3

These three modes of training the Authority's staff are generally regarded as formal training, with on-the-job training (OJT) generally being regarded as informal training. There is no need, however, for OJT to be treated informally. This type of training is only informal if no thought is given to the objectives of the training (what the trainee will be able to do, that he or she could not do before, when the training period is over), no thought is given to how to test for achievement of the objectives, and no thought is given to training the trainer in instructional techniques. If a team of specialists works with members of the Authority in establishing policies and procedures for the IIC after its formation, these consultants should be used as trainers in a formal on-the-job training program.

## 2. Regional Offices

The experience and skills required by those who would staff the regional offices, are very much the same as the experience and skills required by the Inquiry Services Staff. These requirements are shown in Table A-VII-1.

## 3. Comprehensive Design

The comprehensive design for an IIC includes three departments that are additional to those suggested in the basic design: Promotion, Investor Services, and International.

Staff at Levels 2, 3, 4, and 5 in the Promotion Department should have excellent foreign-language and communication skills. Those who do not have these skills should be scheduled to attend locally-staged training programs in both of these subjects. They should also be thoroughly familiar with Egyptian Government Investment policy and procedures. An "overseas" program, currently offered by the Industrial Development Authority (IDA) of Ireland, might also be most suitable for senior members (Levels 2, 3, and 4) of this department. IDA's eight-week program in "The Promotion of Foreign Industrial Investment" offers a curriculum that includes courses on:

- National economic planning
- Development of an industrial investment
- The promotion of foreign industrial investment
- Industrial promotion organization
- Overseas marketing - planning
- Overseas marketing - structure
- Overseas marketing - operation
- Overseas marketing - indirect promotional techniques
- Marketing at home
- Post-negotiation activities
- Review of marketing programs
- Review of the setting up of an industrial promotion program.

Staff at Levels 2, 3, 4 and 5 in both the International and Investor Services Departments must be totally fluent in at least one foreign language. They too must, in addition, be thoroughly conversant with the Egyptian Government investment policy and procedures, and must have excellent communications skills. Senior members (Levels 2, 3 and 4) of the Investor Services department must, in particular, be extremely knowledgeable about investment policy and procedures and should be on friendly terms with numerous senior members of other agencies of the Government that are involved in the industrial development process. (A most effective method of building such a "network" of contacts is through seminars, sponsored by the Authority, to which other government agencies are invited to send participants. This is discussed more fully later in this appendix.)

The Industrial Development Authority of Ireland offers an eight-week program in "The Identification of Industrial Projects and Investment Opportunities." This program would appear to be a possible source of useful training for senior members of both the Foreign and the Investor Services departments. The program offers a curriculum that includes courses on:

- Industrial development policy
- Source of project ideas
- Screening of projects
- Prefeasibility studies
- Identification of project promoters
- Project preparation
- Project reshaping
- Institutions and support services.

B. CURRENT TRAINING PROGRAM OF THE AUTHORITY

All training that is currently conducted by the Authority falls into one of two categories: either internal programs or external programs. Internal programs are supported by internal funds--from the Ministry of Finance--and are conducted inside Egypt. They include project evaluation programs conducted by ARAC (Arab Research Administration Center) and the American University in Cairo; programs for senior management conducted by the Central Agency for Organization and Administration; programs conducted by the El Ahram Institution for Organization & Microfilm Statistics; and language programs conducted (in English) by ILI (International Language Institute) and the British Council, and (in French) by the French Center.

External programs are supported by external funds--generally from USAID or UNIDO--and are conducted outside Egypt, at universities such as Pittsburgh and Georgetown. They are supported by funds from USAID or UNIDO. An exception to this rule is short programs, funded by USAID or UNIDO, that are conducted in Egypt such as the Negotiations seminar presented by FME (Fund for Multinational Management Education) from February 24 through February 27, 1980.

The Authority's training plan for 1980 includes a one-week top management program for Undersecretaries and Directors General, to be presented by the Central Agency for Organization and Administration; two 18-hour (three evening sessions of three hours each per week for two weeks) programs in (a) the market aspects and (b) the financial aspects of a project feasibility study, to be presented by the Egyptian Society for Financial Administration, and two four-week courses in the economic aspects of project feasibility studies--one course to be conducted in Arabic and the other in English--both to be presented by ARAC.

The Training and Organization Department has selected a total of 31 nominees to attend the four project feasibility training programs but few, if any, of those nominated are slated to attend more than one program. This is unfortunately, but understandably, typical of the training presently being conducted by the Authority and, we believe, makes the overall

training effort less effective than it might otherwise be. This tendency to spread the training that is offered among as many people as possible is probably the most equitable way to make use of the available funds, but it leaves the Authority with a number of partially trained individuals and few who are considered, by their superiors, to be experts in their fields. That is one problem facing the Authority's Training and Organization Department; there is also a second problem.

A common complaint of members of the Authority's staff who have attended training programs is that although the new knowledge or skills that they acquire in a program are seemingly useful and of value, they are frequently not permitted (or the opportunity does not exist) to put the knowledge or skills to use when they return to their jobs. However, a common complaint of senior managers in the Authority is that people return from training programs unable to demonstrate any useful change in their level of knowledge and skills. All of this suggests that:

- either the training courses that are being attended by members of the Authority's staff are the wrong courses--that is, they are designed to meet needs that are irrelevant to the needs of the Authority;
- or training courses, in general, are regarded as prerequisites--as opportunities to escape from the day-to-day routine of office life--and people are assigned to them on a rotation basis rather than on the basis of a need for specific skills;
- or the Authority has not defined clearly the level of knowledge and skills that is required for many of the jobs within the organization;
- or there exists a state of affairs that is a mix of all three of these situations.

Believing that the last of these three is the closest to the truth, we recommend the following courses of action:

1. Continue with the training plan for 1930, insofar as individuals have been told that they will be attending a specific program. The Training and Organization Department may wish, however, to supplement the English language courses that ILI or the British Council present with a "business oriented" course in English, conducting these training sessions at the Authority immediately

after the participants return from the ILI or British Council courses. The supplementary training sessions would have the sole objective of exercising the participants in reading (with comprehension) and writing technical reports in English. Since the basic rules of English grammar will have been learned in the courses run by the two local institutes, the Authority's training sessions should require little more than drill and practice in the use of a technical vocabulary.

2. Continue with the Training and Organization Department's current practice of identifying training programs that are offered by both educational institutions and professional institutions, in Egypt and abroad, and to which the Authority may wish to send participants in the future. Examples of programs with great potential for the Authority are:
  - o An 8-week program in negotiating foreign investments at Georgetown University;
  - o An 8-week program in project appraisal at the Industrial Development Authority in Dublin (also at the Arthur D. Little Management Education Institute );
  - o A 6 week program in investment promotion at the Industrial Development Authority in Dublin;
  - o A one-year program in survey methods and the production of basic economic and social statistics at the International Statistical Programs Center, Washington, D.C.;
  - o A 6-week program in micro-computers at Balsam Engineering Co., Ltd. (agents for Wang), Cairo;
  - o An 11-month graduate program for a Master of Science in Management degree at Arthur D. Little Management Education Institute.
3. Identify an appropriately qualified individual, or organization, who will convene a series of top-level conferences in order to establish written guidelines on how certain key jobs within the Authority will be performed. For example...by what criteria should applicants' projects be appraised? What knowledge and skills are essential to a project analyst? Do all the project analysts employed by the Authority have this knowledge and these skills? Are the formal training programs attended by project

analysts providing this knowledge and these skills? Or, in another area....what should be the role of the Research Department? What level of support, in the form of technical papers and economic analyses and projections, should other departments, ideally, be able to expect from the Research Department? What knowledge and skills are required to provide this level of support? Are these skills currently held by a sufficient number of the members of the Research Department? Where, and how, can they be acquired?

The outcome of this series of top-level conferences would be clear statements of the training needs of the Authority and a comprehensive plan to satisfy those needs. Given this plan, the Authority could take the next step.

4. Select existing course, or contract for tailor-made courses, that can meet all the needs of the Authority. The Authority, however, should bear in mind the possibility that some of those needs might best be met by hiring people who already possess a major portion of the knowledge and skills required. Careful attention should be given to the problem of how to attract people with the requisite qualifications.

Any training course that is tailor-made for the Authority should be regarded as a permanent course. That is, the terms of the contract should require that the organization that develops the course should be prepared to train members of the Authority's staff to act as instructors after the first two or three presentations of the program--after it has been revised and refined on the basis of the results of the first runs. The course would then become a regular offering, once or twice a year, of the Training and Organization Department.

5. Include senior personnel in all training plans and schedule their participation first--before those who work under their direction receive the same training. This might entail sending two or more Directors General on full-time courses for six, nine, or twelve months. The important thing to recognize is that leadership must come from the top, and those at the top cannot lead if the people under them are being taught to follow new procedures and to apply

new concepts with which they (the leaders) are only vaguely familiar.

6. Sponsor seminars that permit senior members of the Authority to become acquainted with senior members of other Ministries, Government Agencies, and private sector organizations associated with investment development. As noted above, such a seminar, on Negotiations, was recently presented in Cairo by FMME (Fund for Multinational Management Education). The primary objective of this seminar was to increase the participants' comprehension of the ways in which a foreign investor analyzes an investment opportunity in Egypt, and to develop understanding of negotiating tactics and techniques.

A frequent complaint heard from both investors and people within the Authority is that, throughout the Government, papers move slowly, data are hard to obtain, and appropriate decision-makers hard to locate. One possible reason for the last of these points is that few people in Government know people at their own level in other branches of the Government. Even though formal channels of information exist, informal channels tend to work more quickly and more smoothly. When someone in the Authority, faced with a problem stemming from outside the Authority can pick up a telephone and ask for assistance from someone with whom he is on a first-name-basis, there is a far greater chance of positive action being taken than if a query passes from one anonymous letter-writer to another.

A seminar, sponsored by the Authority, in which representatives of other Ministries, Government Agencies and private sector organizations involved in investment development are invited to participate, can create an ideal environment for close personal relationships to be developed. This is a natural outcome of any gathering of individuals who have, hitherto, been strangers. The acquisition of knowledge of and about other participants in a seminar is frequently regarded as being serendipitous. However,

there is no reason why the opportunity to get to know people and to make contacts in other branches of the Government should not be carefully planned, even while equally valuable training on a topic of importance to all participants is being conducted. EMME appears to have made an excellent start in this area and, with a few refinements (such as five days instead of four days, and a more remote location so that participants will be forced to remain in residence for the full five days), this type of seminar should become a regular feature on the Authority's calendar.

APPENDIX VIII

PHYSICAL FACILITIES

APPENDIX VIII

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APPENDIX VIII  
PHYSICAL FACILITIES

A. INTRODUCTION

The purpose of this Appendix is to develop the space standards for each of the alternative designs and then to illustrate the organization and lay-out of the required spaces.<sup>1</sup> Prototype offices and conference facilities have been diagrammed and the layout of furnishings provided is intended to serve as a guide to the final space layout once the location is determined.

In this analysis we are concerned with two types of offices:

- The Cairo Center; and
- Standardized types of Regional and Foreign Offices.

To facilitate this analysis we have prepared a "space budget" for each alternative. The summary, below, is more fully described and illustrated in Sections C and D of this Appendix.

• Basic Design Alternative

Total space required:      750-800 m<sup>2</sup> for the Cairo Center  
   60-100 m<sup>2</sup> for each Regional Office

Total employees:              Cairo Center:      23 professionals;  
   10 support  
   Regional Offices:    8 professionals;  
   4 support

• Comprehensive Design Alternative

Total space required:      2,000 m<sup>2</sup> for the Cairo Center  
   60-100 m<sup>2</sup> for each Regional and Foreign Office

Total employees:              Cairo Center:      59 professionals;  
   26 support  
   Regional Offices:    8 professionals;  
   4 support  
   Foreign Offices:    18 professionals;  
   6 support

<sup>1</sup>The material presented in this Appendix was prepared by DACP Associates who, under subcontract to Arthur D. Little, Inc., developed the physical facilities recommendations for the two IIC alternatives.

In reaching these conclusions, we have had extensive meetings with Authority officials, have inspected the type of space now occupied by the Authority, and have inspected other facilities owned by the Authority at the Nasr City Free Zone site and at the Fairgrounds.

Three important space criteria should be noted in reviewing the following material:

- The physical space should be of the highest quality and proper maintenance of the space is of the utmost importance in order to create the best impression for potential foreign investors.
- The IIC functions are intimately related to the other central functions of the Authority. First, the need for immediate communications between the information center and the central data files is extremely important. Secondly, the library, which is part of the IIC, is also critical to the day-to-day operations of the Authority. For these reasons, it is undesirable to separate the IIC physically from the Authority.
- The space chosen for the IIC should be expandable. The number of employees will increase over time regardless of the alternative chosen. Plans should therefore be based on the space required for full occupancy even though this target may not be reached in the first few years.

## B. CRITERIA FOR PHYSICAL FACILITIES

Based on discussions with Authority officials, we have established the following criteria for physical facilities which apply to the selection and layout of space for the IIC headquarters in Cairo.

### Highest Priority Criteria

- The IIC must be a part of or physically near (within 5 minutes walking time) the Investment Authority.

Day-to-day communications, proximity to data files, and the other Authority functions is important to the operation of the Center. The library is a common service to both the Center and to the Authority and must be accessible to both.

- The space must be of the highest possible quality. The impression the Center leaves with the foreign investor is most important. This criteria applies to the design and furnishings of the space and to its maintenance. An example of an acceptable standard of quality would be an airline ticket office or a branch bank.
- The space should be expandable and laid out in a flexible manner. Regardless of the alternative chosen, the ability to expand and accommodate the total number of employees as it grows over time is a major factor. The space initially chosen should allow for this expansion capability. An "open landscape" type layout of furnishings can accomplish the necessary flexibility in space layout. Selected examples which illustrate the types of furnishings envisioned are attached.

### Other Priority Criteria

- Telecommunications will be a critical part of the Center's operation. Reliable telephone and telex facilities are essential.
- Parking availability is important both to foreign visitors and to employees. This criterion is difficult to satisfy at the present location. In the absence of parking both visitors and employees will continue to find alternate transportation means.
- Good lighting is important. Office space on the periphery of the building should have good outdoor light. Interior offices, particularly the offices of Junior Professionals and Support personnel should have a good overhead lighting system.
- The space should be air conditioned. Certain spaces, such as the computer facility may need to be climate controlled.

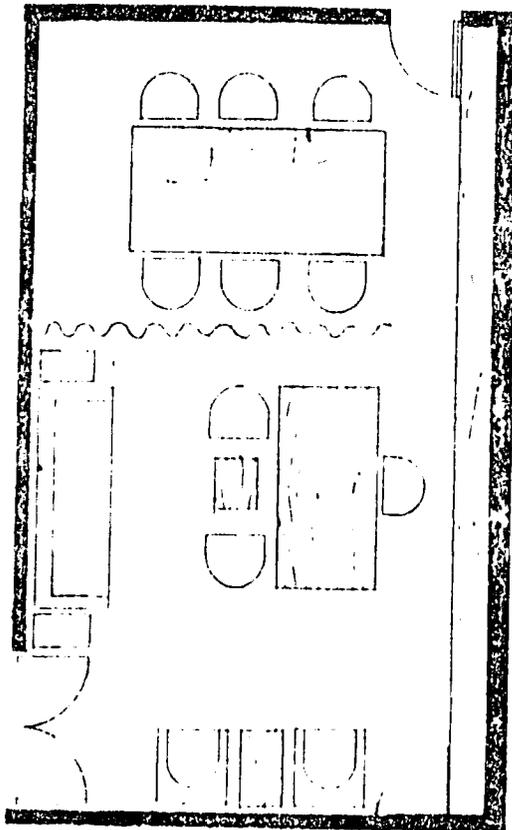
C. RECOMMENDED SPACE STANDARDS

Because of the flexibility required in laying out the actual space, we have adopted a "modular" approach to space planning. Several standardized office and conference type spaces have been developed for this purpose.

1. Cairo Center

- Office Space Type 1  
for Level 1 and 2  
management personnel  
Approx. Area: 40 m<sup>2</sup>

The Director/Department Head's offices should have direct access to the major conference facility and should be centrally located. The office should be adequate in size to accommodate a reasonably large group, and should give the impression of comfort and efficiency.



Typical Furnishings List:

- Large desk and chair
- Conference table and 6-8 chairs
- Sofa and 2 visitor chairs
- Draperies on windows
- Book shelves
- Air Conditioner
- Carpet on floor

Estimated Cost Range for Furnishings

L.E. 5,000 - 7,500

TYPE 1 OFFICE

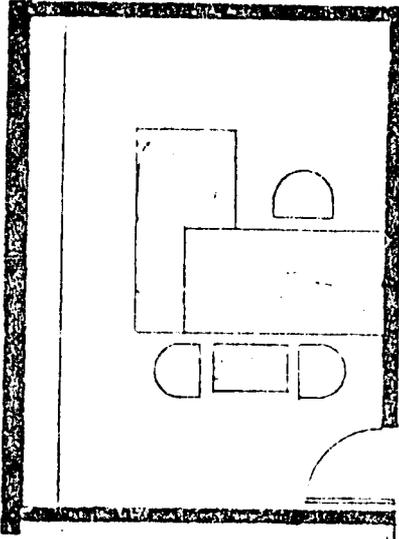
scale 1 : 80

FIGURE A-VIII-1

A-VIII-4

- Office Space Type II:  
for Level 3  
Supervisory Personnel  
Approx. Area: 20 m<sup>2</sup>

Supervisory personnel should have private offices to properly carry out their functions. Circulation patterns to these offices should be off a central corridor, and it should not be necessary to pass through one office to reach another.



Typical Furnishings List:

- Desk with side reference table and two chairs
- 2 visitor chairs with small table
- Book shelves
- Draperies on windows
- Air conditioner
- Carpet on floor
- File cabinet

Estimated Cost Range for Furnishings

L.E. 2,500 - 4,000

TYPE II OFFICE

scale 1 : 30

FIGURE A-VIII-2

- Office Space Type III:  
for Level 4 and 5  
Senior and Junior  
Professional Personnel  
Approx. Area: 15 m<sup>2</sup>/person

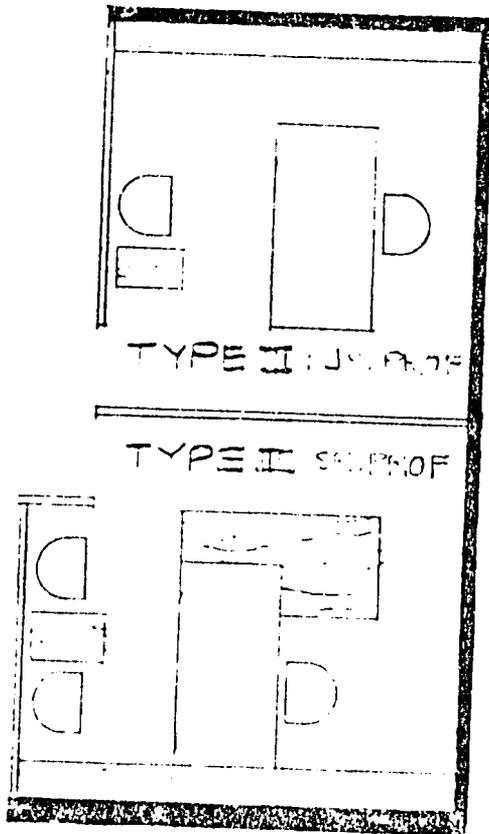
Senior and Junior Professional personnel should have semi-private offices, but do not need the same degree of privacy as supervisors. Senior Professionals should be located on the periphery of the building and should have more space and furnishings for visitors than the Junior Professionals. See equipment list.

Typical Furnishings List:

- Desk with side reference table for Senior Professional (without side reference table for Junior Professional).
- 2 visitor chairs for Sr. Professional; 1 visitor chair for Jr. Professional
- Venetian blinds on windows for Senior Professional. (Junior Professional office should normally be an interior space).
- Book shelves
- File cabinet
- Air conditioner

Estimated Cost Range for Furnishings

L.E. 2,000 - 3,000



TYPE III OFFICE

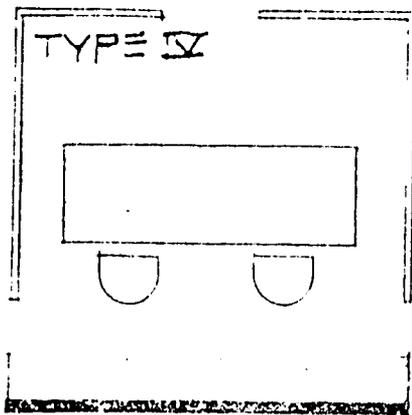
scale 1 : 80

FIGURE A-VIII-3

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- Office Space Type IV:  
for Level 6  
Support Personnel  
Approx. Area: 10 m<sup>2</sup>/person

Supporting staff offices should be physically linked to the supervisory and professional staff they serve. It is undesirable and inefficient to have more than two units together unless there is adequate separation between desks. The modules can be clustered to accommodate any number of units, but it is our impression, for example, that the kind of overcrowding evident in the present statistics section should be avoided.



TYPE IV OFFICE

scale 1 : 30

FIGURE A-VIII-4

Typical Furnishings List

- Metal desk and chairs
- Book shelves
- File cabinets

Estimated Cost Range for Furnishings

L.E. 250 - 750

Conference Facilities are a key part of the daily operation of the Center.

- Conference Room Type I:  
Principal Conference Area  
Approx. Area: 60 m<sup>2</sup>

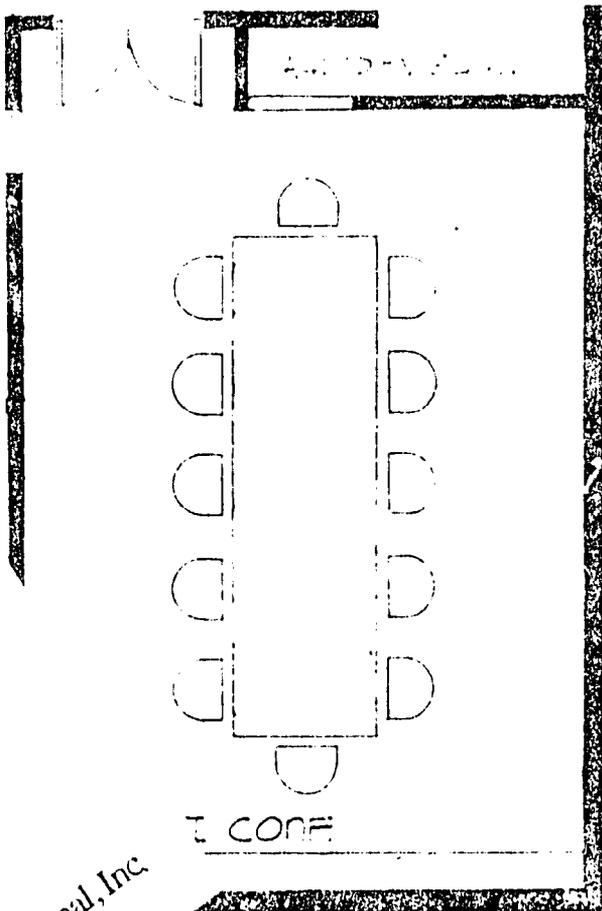
The space should be large enough to accommodate groups up to 15 - 20 people in size. It should have direct access to the reception area and to the Director's office. It should be comfortably furnished and be equipped with audio-visual facilities and perhaps a small kitchen area.

Typical Furnishings List

- Large conference table
- 15 - 20 conference chairs
- Book shelves
- Air conditioners
- Carpet on floor
- Draperies on windows
- Audio-visual equipment
- Small kitchen area

Estimated Cost Range for Furnishings

L.E. 8,000 - 10,000



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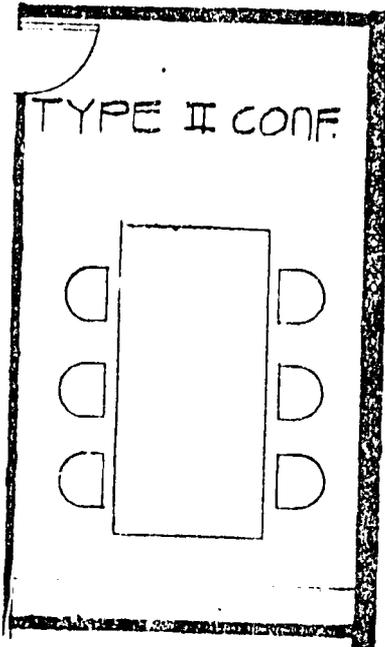
CONFERENCE ROOM

scale 1 : 80

FIGURE A-VIII-5

- Conference Room Type II:  
Small Conference Area  
Approx. Area: 25 m<sup>2</sup>

There should be several such conference spaces in the Comprehensive Design for use by smaller groups up to 5 - 6 people. It can also be designed to function as a private and comfortable area for visitors who need space in which to work for several days.



Typical Furnishings List

- Conference table
- 6 conference chairs
- Book shelves
- Air conditioner
- Carpet on floor
- Draperies on windows

Estimated Cost Range for Furnishings

L.E. 3,000 - 4,000

TYPE II CONFERENCE  
ROOM

scale 1 : 30

FIGURE A-VIII-6

Finally, there are a series of special functions which must be included in the space program.

- Library:

Approx. Area. 100 m<sup>2</sup>

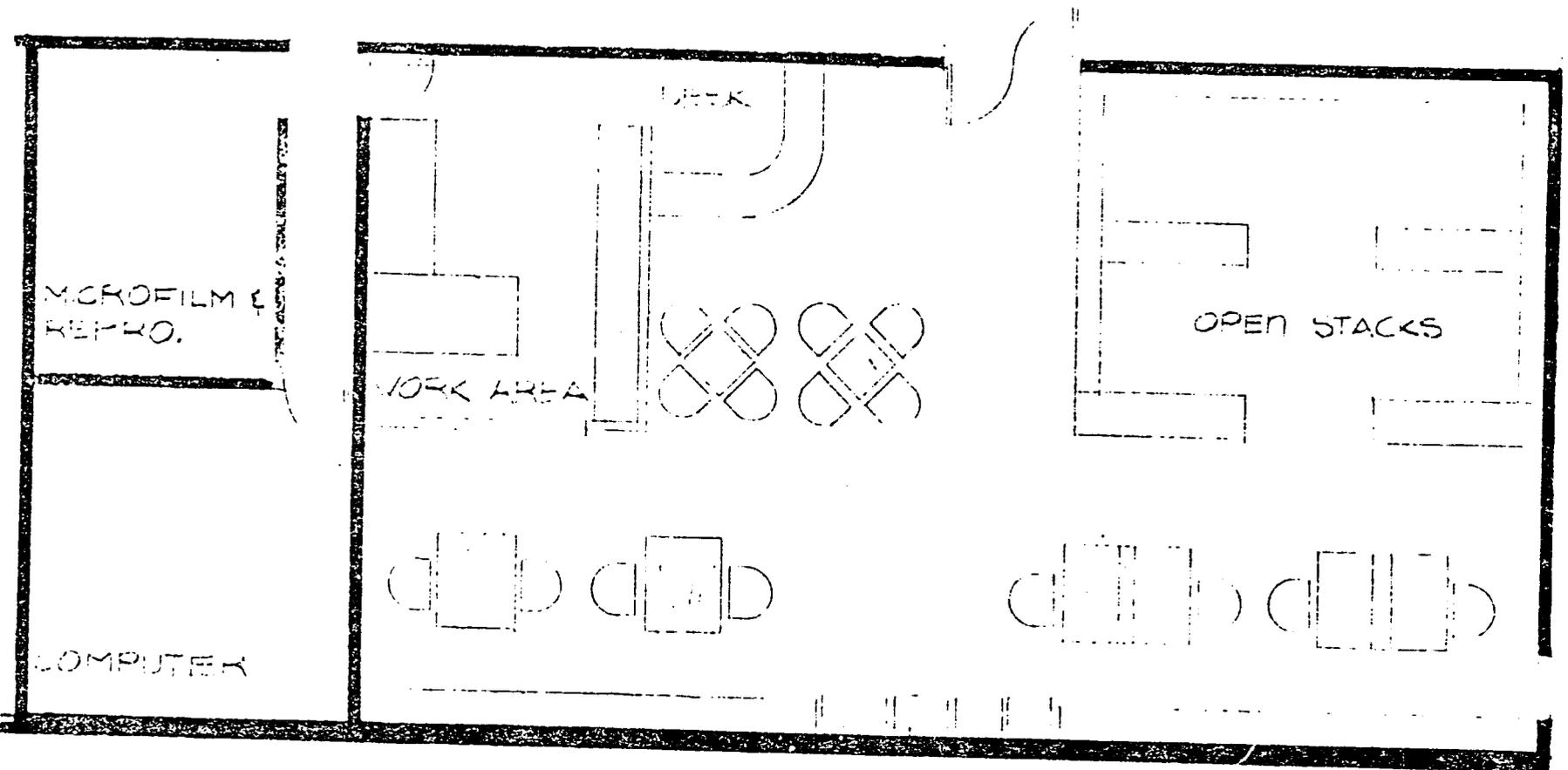
This function is the heart of the IIC and will contain 3000 - 5000 volumes. We recommend the "open stack" method of operation whereby visitors and staff personnel have direct access to reports and reference materials. There should be small work tables where references can be used, and one portion of the space should be devoted to periodicals. This area could have an informal quality with comfortable chairs and tables. The library should have a small work area, and should have access to the micro-film unit. If properly organized, library support personnel can control access to the computer facility. The library should have a prominent location with direct access to the Reception area.

Typical Furnishings List

- Book shelves for 3,000 - 5,000 volume
- Small reference tables and chairs for visitors use
- 6 - 8 comfortable chairs and table for periodicals section
- Draperies on windows
- Air conditioning
- Carpet on floor
- Card files
- Reception desk and work area

Estimated Cost Range for Furnishings  
(excluding specialized equipment)

L.E. 12,000 - 15,000



LIBRARY

scale 1 : 80

FIGURE A-VIII-2

A-VIII-11

- Micro-film and Reproduction:  
Approx. Area 15 - 20 m<sup>2</sup>  
This element is part of the library function and its use and access should be strictly controlled for library personnel use.
- Reception Area:  
space requirements vary  
This area should be the most visible from the point of entry and contain the highest quality furnishings. It should be an interior space organized so that it is the central point of circulation, and contain walls suitable for mounting displays or exhibits. If space permits, it is desirable to have a smaller reception/waiting area for each of the additional IIC functions in the Comprehensive Design Alternative; Promotion and Investor Services.
- Circulation and Building Support Facilities:  
The circulation space will be a function of the specific layout and will normally occupy approximately 20% of the total space devoted to office uses. The reception area is included in this figure.

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## 2. Regional and Foreign Offices

The Regional and Foreign offices have similar functions and their size varies with the location of the Center. The larger regional office would be located in the largest Egyptian cities outside Cairo--Alexandria, and perhaps Port Said. This size facility would also be the prototype for foreign offices.

### • Foreign Offices and Regional Office Type 1

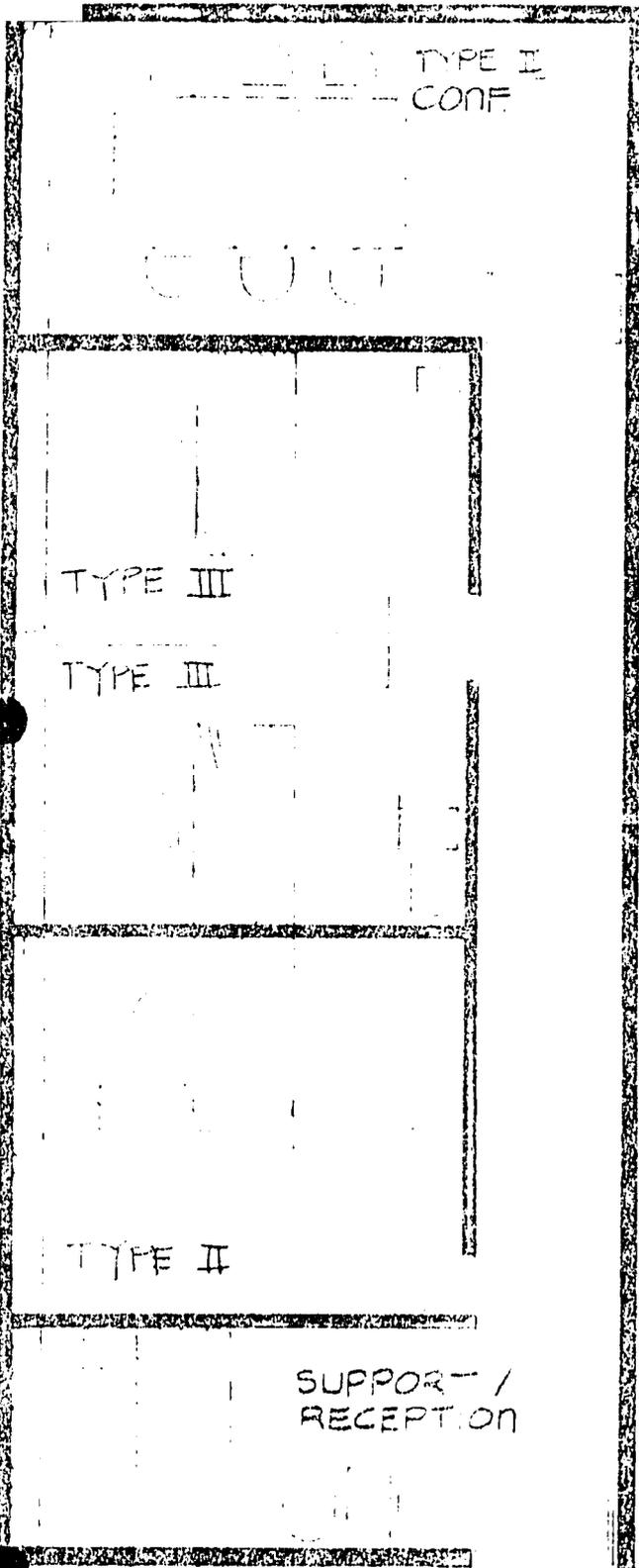
These offices would be located in the central area of major cities such as Alexandria and Port Said and abroad. They could be located in ground floor space in commercial areas or in an office building in a prominent location. It is desirable to locate foreign offices with other such foreign investment offices or in connection with the Egyptian Consulate or Embassy for that country.

#### Typical Furnishings List

- Conference table and 6-8 chairs
- Manager's desk and chair
- Sofa, 2 visitor chairs and table (Manager's office)
- Sofa, 4 visitor chairs and table (Reception area)
- Book shelves
- Draperies on windows
- 2 desks, with side tables and 2 chairs for professional staff
- 6 visitor type chairs in professional offices
- Carpet in conference and Manager's office
- Air conditioners
- File cabinets
- Storage and utility areas

#### Estimated Cost Range for Furnishings

L.E. 15,000 - 25,000



REGIONAL AND FOREIGN OFFICES - TYPE I

Scale: 1" = 5'

FIGURE A-VIII-8

A-VIII-13

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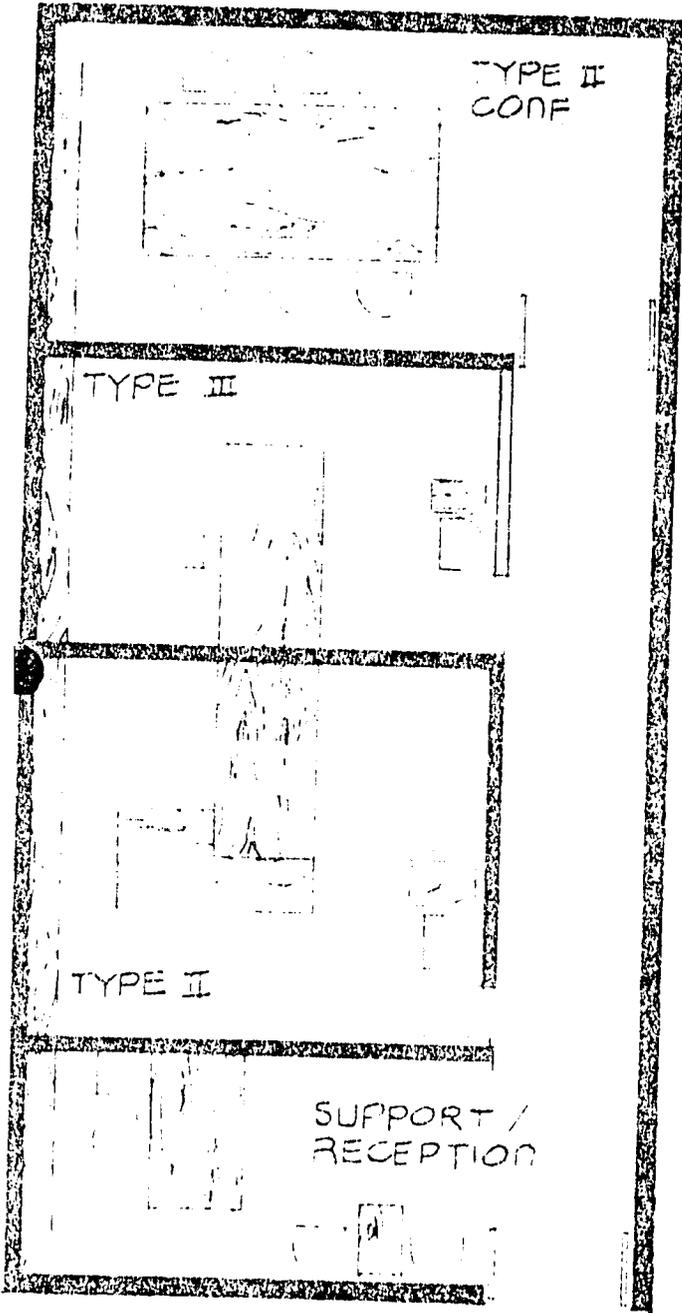
- Regional Office Type II:  
Approx. Area. 60 - 100 m<sup>2</sup>

Typical Furnishings List

- Small conference table and 4 chairs
- Manager's desk and chair
- 2 visitor chairs and small table
- Draperies on window
- Desk and chair for support personnel
- 2 visitor chairs and table in reception area
- Book cases
- Storage and utility area
- File cabinets

Estimated Cost Range for Furnishings

L.E. 5,000 - 7,500



REGIONAL AND FOREIGN OFFICES - TYPE II  
scale 1 : 30

FIGURE A-VIII-3

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D. SPACE ORGANIZATION AND LAYOUT

Based on the space standards and organizational structure described above, this section contains the following for each Alternative Design:

- Space Program
- Layout of space programs
- Sketches

1. Description of the Basic Design Alternative

|                           | <u>Cairo Center</u> | <u>Regional Office</u>  |
|---------------------------|---------------------|-------------------------|
| Total Space Requirements: | 800m <sup>2</sup>   | 60 - 100 m <sup>2</sup> |
| Employees: Professional   | 23 persons          | 8 persons               |
| Support                   | 10 persons          | 4 persons               |

The following illustrations show the typical space program and layout indicating the relationship between functions of the LIC for the basic Design Alternative.

The space for this Alternative will fit approximately within the ground or first floor of the Authority's office at 8 Adly Street, although no decision has been reached as to whether the space is actually available.

The reception area, library and Department Head's office are situated so that these functions are centrally located. The conference area and the Department Head's office are directly connected. Senior Professional and Supervisor's offices are located along the periphery of the building, with Junior Professional and Support personnel located in interior spaces.

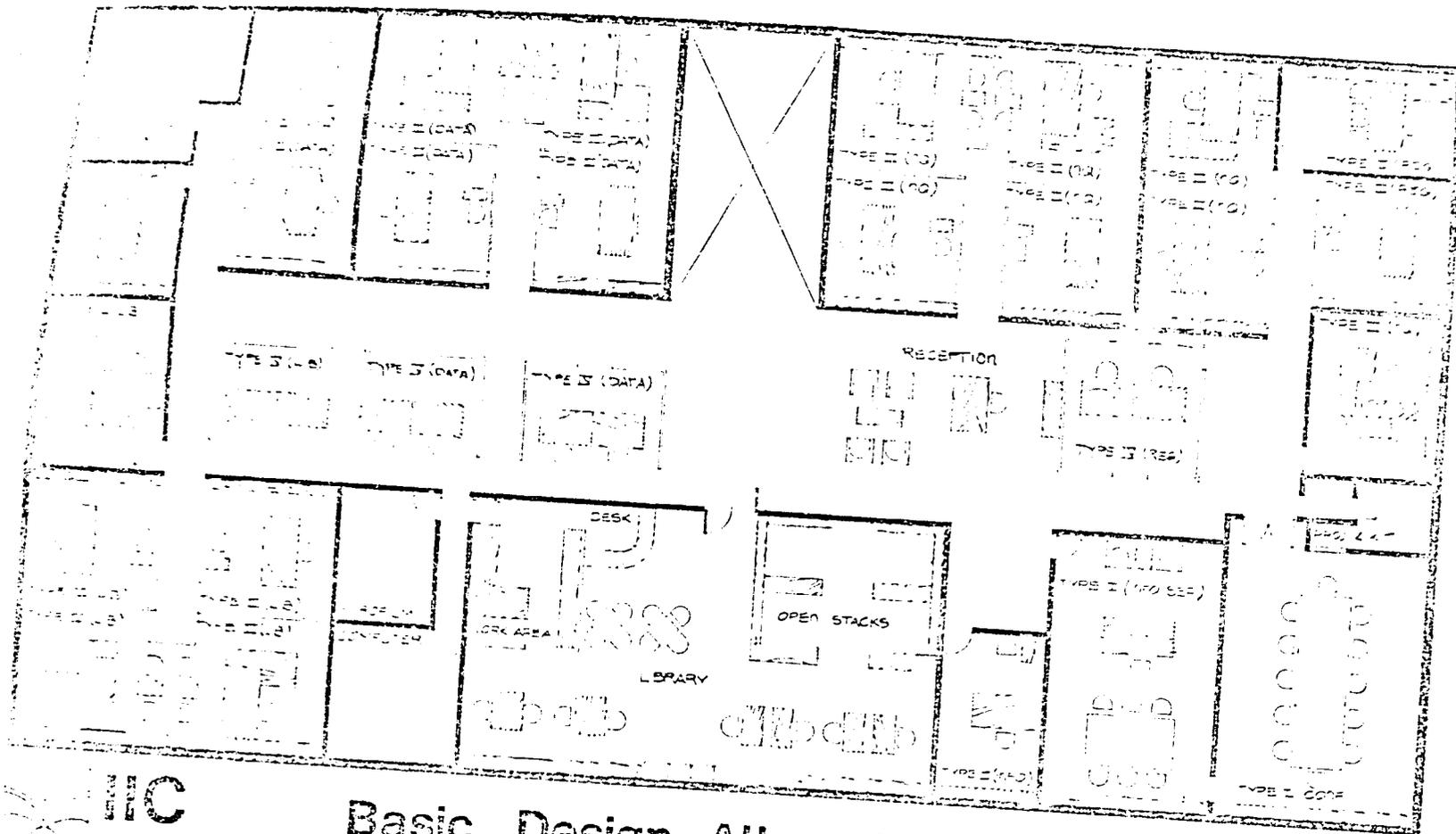
The plan illustrates the layout of spaces required in the fifth year (33 people). If this alternative is selected, we recommend that the Authority acquire the entire floor space required for full occupancy even though it will not be fully utilized initially.

TABLE VIII-1

BASIC DESIGN ALTERNATIVE SPACE PROGRAM

- Cairo Center 33 people 23 professional 10 support
- Regional Offices 12 people 8 professional 4 support

| Personnel  | Number of Persons or units | m <sup>2</sup> per person | space required (m <sup>2</sup> ) |
|--|----------------------------|---------------------------|----------------------------------|
| <u>CAIRO CENTER</u>                                    |                            |                           |                                  |
| <u>Office Space</u>                                    |                            |                           |                                  |
| • <u>Type I office for Level 1 &amp; 2 personnel</u>   |                            |                           |                                  |
| Information Services                                   | 1                          | 40                        | 40                               |
| Regional Services                                      | 1                          | 40                        | 40                               |
|  |                            |                           | <u>80</u>                        |
| • <u>Type II office for Level 3 personnel</u>          |                            |                           |                                  |
| Library Services                                       | 1                          | 20                        | 20                               |
| Data Services  | 1                          | 20                        | 20                               |
| Inquiry Services                                       | 1                          | 20                        | 20                               |
|  |                            |                           | <u>60</u>                        |
| • <u>Type III office for Level 4 &amp; 5 personnel</u> |                            |                           |                                  |
| Information Services                                   | 1                          | 15                        | 15                               |
| Library Services                                       | 4                          | 15                        | 60                               |
| Data Services  | 6                          | 15                        | 90                               |
| Inquiry Services                                       | 6                          | 15                        | 90                               |
| Regional Services                                      | 1                          | 15                        | 15                               |
|  |                            |                           | <u>270</u>                       |
| • <u>Type IV office for Level 6 personnel</u>          |                            |                           |                                  |
| Information Services                                   | 1                          | 10                        | 10                               |
| Library  | 2                          | 10                        | 20                               |
| Data Services  | 3                          | 10                        | 30                               |
| Inquiry Services                                       | 3                          | 10                        | 30                               |
| Regional Services                                      | 1                          | 10                        | 10                               |
|  |                            |                           | <u>100</u>                       |
| Subtotal Office Space                                  | 33                         |                           | <u>510</u>                       |
| • Type I Conference                                    |                            |                           |                                  |
|  | 1                          |                           | <u>60</u>                        |
|  |                            |                           | 60                               |
| • Library  | 1                          |                           | 100                              |
| • Micro-film   | 1                          |                           | 15                               |
| • Components   | 1                          |                           | 20                               |
| • Reception/Circulation                                |                            |                           | 100                              |
| • Storage  |                            |                           | <u>235</u>                       |
| <u>TOTAL SPACE REQUIRED CAIRO CENTER</u>               |                            |                           | 800 - 900m <sup>2</sup>          |
| <u>TOTAL SPACE REQUIRED REGIONAL OFFICES</u>           |                            |                           | 60 - 100m <sup>2</sup> each      |



Legend

OFFICE TYPES

- TYPE I
- TYPE II
- TYPE III
- TYPE IV

CONFERENCE ROOMS

- TYPE I
- TYPE II

ABBREVIATIONS

- (INFO SER) INFORMATION SERVICES
- (DATA) DATA SERVICES
- (LIB) LIBRARY SERVICES
- (IND) INDUSTRY SERVICES
- (RES) RESIDENTIAL SERVICES

**Basic Design Alternative:**  
Cairo Center

**Level 1**



A-VIII-17

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## 2. Description of the Comprehensive Design Alternative

This Alternative requires a larger space program to accommodate the additional functions of the IIC. The criteria for location are similar to those that apply to the Basic Design Alternative.

### Comprehensive Design Alternative

|                          | <u>Cairo<br/>Center</u> | <u>Regional<br/>Offices</u> | <u>Foreign<br/>Offices</u> |
|--------------------------|-------------------------|-----------------------------|----------------------------|
| Total Space Requirements | 2000m <sup>2</sup>      | 60 - 100m <sup>2</sup>      | 100m <sup>2</sup>          |
| Employees: Professional  | 59 persons              | 8 persons                   | 18 persons                 |
| Support                  | 26 persons              | 4 persons                   | 6 persons                  |

The space requirements are illustrated in the attached drawings. Using the existing Authority building as a guide, the space needs for this Alternative require approximately three floors. Again the relationship between IIC functions is a guide to final space layout when space is selected.

The first level contains the IIC Director in offices which are directly related to the reception, library and large conference room. The Information Services and Data Services functions are also located on this floor.

The second level contains the Investor, Inquiry, and Regional Services. Each function has its own small conference area.

The third level contains Promotion and Foreign Service functions with a small conference room.

As in the Basic Design Alternative, Supervisors and Senior Professional offices are located along the periphery of the building and Junior Professional and Support personnel work stations are located in the interior spaces.

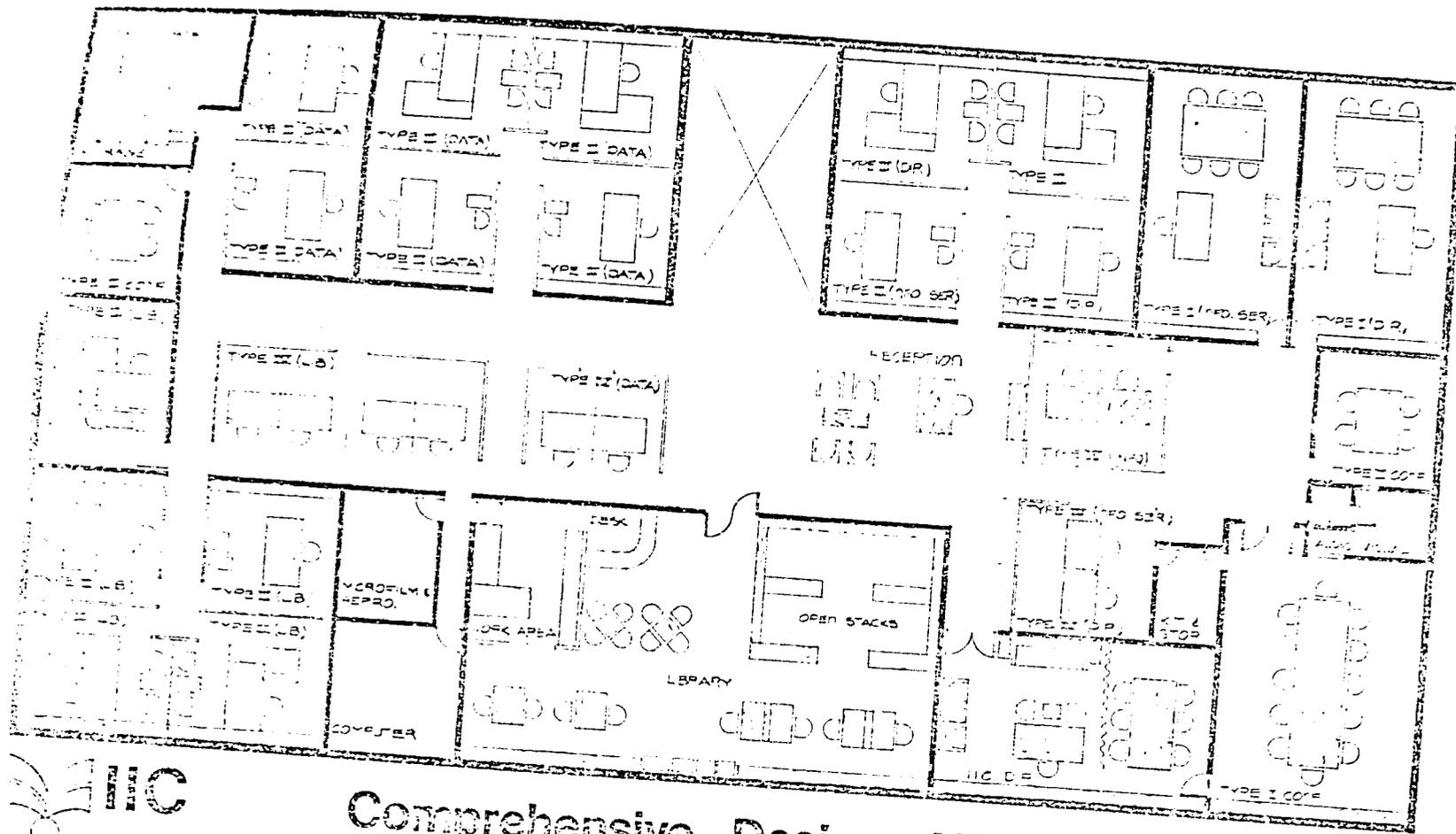
The plan illustrates the layout of spaces required in the fifth year (85) people. If this alternative is selected, it is possible to accommodate the staff required in years one and two in the first two floors at 8 Adly Street and expand over time as more staff is added. The organization of space however will change and the functions will need to be shifted from one floor to another.

TABLE A-VIII-2

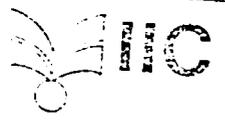
## COMPREHENSIVE DESIGN ALTERNATIVE SPACE PROGRAM

|                    |            |                 |            |
|--------------------|------------|-----------------|------------|
| • Cairo Center     | 85 people: | 59 professional | 26 support |
| • Regional Offices | 12 people: | 8 professional  | 4 support  |
| • Foreign Offices  | 24 people: | 18 professional | 5 support  |

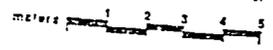
| Personnel  | Number of<br>Persons<br>or units | m <sup>2</sup> per person | space required<br>(m <sup>2</sup> ) |
|--|----------------------------------|---------------------------|-------------------------------------|
| <b>CAIRO CENTER</b>  |                                  |                           |                                     |
| • <u>Type I Office for<br/>Level 1 &amp; 2 personnel</u>   |                                  |                           |                                     |
| Director   | 1                                | 40                        | 40                                  |
| Information Services                                       | 1                                | 40                        | 40                                  |
| I.I.C. Director Office                                     | 1                                | 40                        | 40                                  |
| Investor Services  | 4                                | 40                        | 160                                 |
| Promotion  | 1                                | 40                        | 40                                  |
| Regional Services  | 1                                | 40                        | 40                                  |
| International Svcs   | 1                                | 40                        | 40                                  |
| • <u>Type II Office for<br/>Level 3 personnel</u>          |                                  |                           |                                     |
| Library Services   | 1                                | 20                        | 20                                  |
| Data Services  | 1                                | 20                        | 20                                  |
| Inquiry Services   | 1                                | 20                        | 20                                  |
| Investor Services  | 4                                | 20                        | 80                                  |
| Promotion  | 2                                | 20                        | 40                                  |
| International Svcs   | 1                                | 20                        | 20                                  |
| • <u>Type III Office for<br/>Level 4 &amp; 5 personnel</u> |                                  |                           |                                     |
| Information Services                                       | 1                                | 15                        | 15                                  |
| Library Services   | 4                                | 15                        | 60                                  |
| Data Services  | 6                                | 15                        | 90                                  |
| Inquiry Services   | 6                                | 15                        | 90                                  |
| IIC Director Office  | 2                                | 15                        | 30                                  |
| Investor Services  | 10                               | 15                        | 150                                 |
| Promotion  | 8                                | 15                        | 120                                 |
| Regional   | 1                                | 15                        | 15                                  |
| International Svcs   | 1                                | 15                        | 15                                  |
| • <u>Type IV Office for<br/>Level 6 personnel</u>          |                                  |                           |                                     |
| Information Services                                       | 1                                | 10                        | 10                                  |
| Library Services   | 2                                | 10                        | 20                                  |
| Data Services  | 3                                | 10                        | 30                                  |
| Inquiry Services   | 3                                | 10                        | 30                                  |
| IIC Director Office  | 3                                | 10                        | 30                                  |
| Investor Services  | 6                                | 10                        | 60                                  |
| Promotion  | 4                                | 10                        | 40                                  |
| Regional Services  | 1                                | 10                        | 10                                  |
| International Svcs   | 3                                | 10                        | 30                                  |
| Sub-Total Office Space                                     |                                  |                           | 1,445 m <sup>2</sup>                |
| • <u>Type I Conference</u>                                 |                                  |                           |                                     |
|  | 1                                | 60                        | 60                                  |
| • <u>Type II Conference</u>                                |                                  |                           |                                     |
| IIC Director Office  | 1                                | 25                        | 25                                  |
| Investor Services  | 2                                | 25                        | 50                                  |
| Promotion  | 1                                | 25                        | 25                                  |
| Sub-Total Conference                                       |                                  |                           | 160 m <sup>2</sup>                  |
| • Library  | 1                                |                           | 100                                 |
| • Micro-film   | 1                                |                           | 15                                  |
| • Computer   | 1                                |                           | 20                                  |
| • Reception/Circulation/<br>Storage                        |                                  |                           | 200                                 |
| Sub-Total  |                                  |                           | 435 m <sup>2</sup>                  |
| <b>TOTAL SPACE REQUIRED<br/>CAIRO CENTER</b>               |                                  |                           | <b>2000 - 2100 m<sup>2</sup></b>    |
| <b>REGIONAL OFFICES</b>                                    |                                  |                           | <b>60 - 100m<sup>2</sup> each</b>   |
| <b>FOREIGN OFFICES</b>                                     |                                  |                           | <b>100 m<sup>2</sup> each</b>       |



- Legend**
- OFFICE TYPES
- TYPE I
  - TYPE II
  - TYPE III
  - TYPE IV
- CONFERENCE ROOM
- TYPE I
  - TYPE II
- ABBREVIATIONS
- (D) DIRECTOR'S OFFICE
  - (INFO SER) INFORMATION SERVICES
  - (DATA) DATA SERVICES
  - (LB) LIBRARY SERVICES
  - (INQ) INQUIRY SERVICES
  - (IS) INVESTOR SERVICES
  - (PROD) PRODUCTION SVCS
  - (RES) RES. SVCS
  - (INTL) INTERNATIONAL SVCS

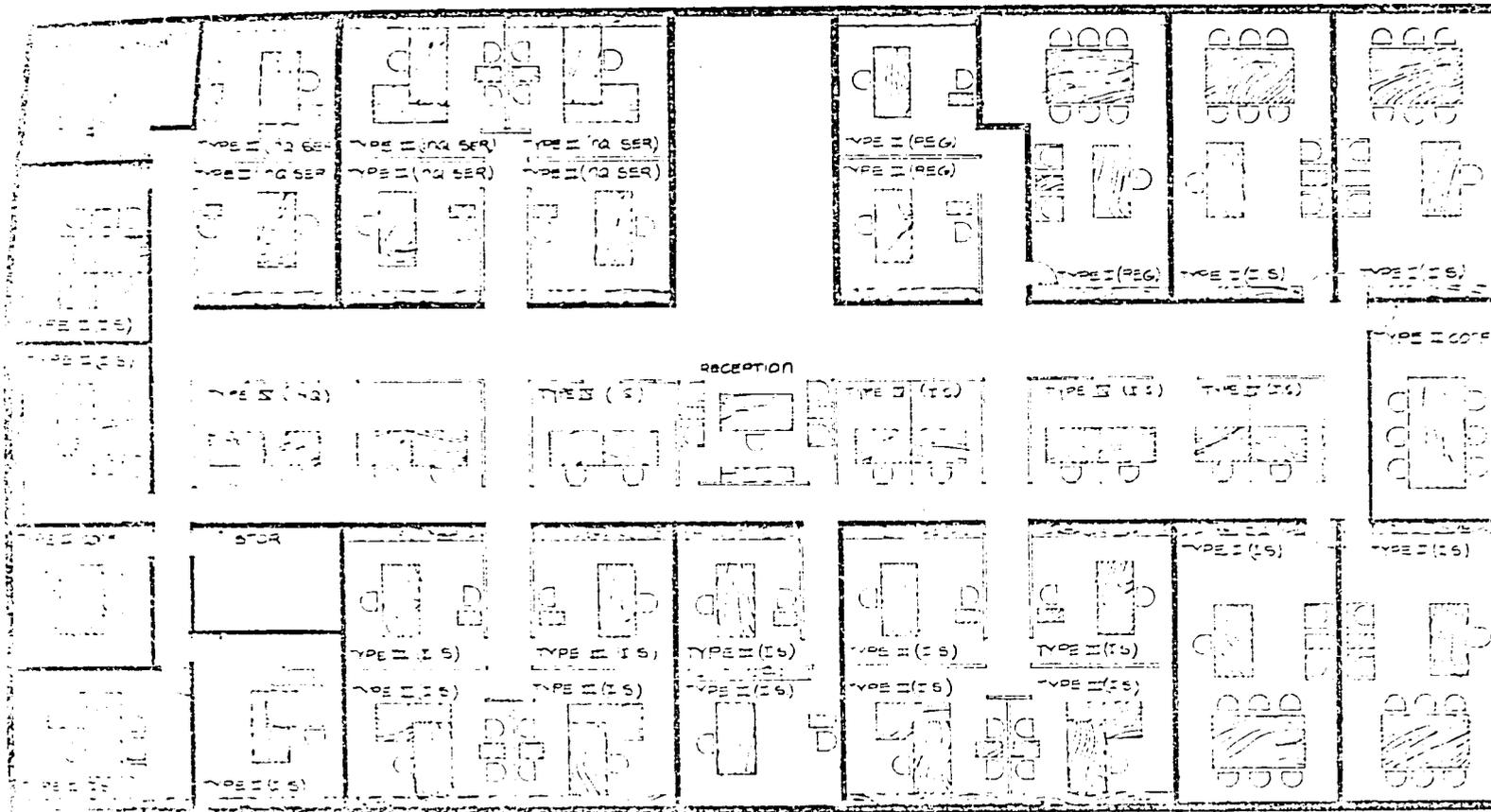


**Comprehensive Design Alternative: Level 1**  
Cairo Center



A-VIII-20

20



**Legend**

OFFICE TYPES

- (REG) DIRECTOR'S OFFICE
- (SER) INFORMATION SERVICES
- (DATA) DATA SERVICES
- (LIB) LIBRARY SERVICES
- (INFO) INQUIRY SERVICES
- (CS) INVESTOR SERVICES
- (PROMO) PROMOTION SVCS.
- (REG) REGIONAL SERVICES
- (INTER) INTERNATIONAL SVCS

CONFERENCE ROOMS

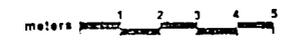
- (TYPE I)
- (TYPE II)

ABBREVIATIONS

- (REG) DIRECTOR'S OFFICE
- (SER) INFORMATION SERVICES
- (DATA) DATA SERVICES
- (LIB) LIBRARY SERVICES
- (INFO) INQUIRY SERVICES
- (CS) INVESTOR SERVICES
- (PROMO) PROMOTION SVCS.
- (REG) REGIONAL SERVICES
- (INTER) INTERNATIONAL SVCS

HC

**Comprehensive Design Alternative: Level 2**  
Cairo Center

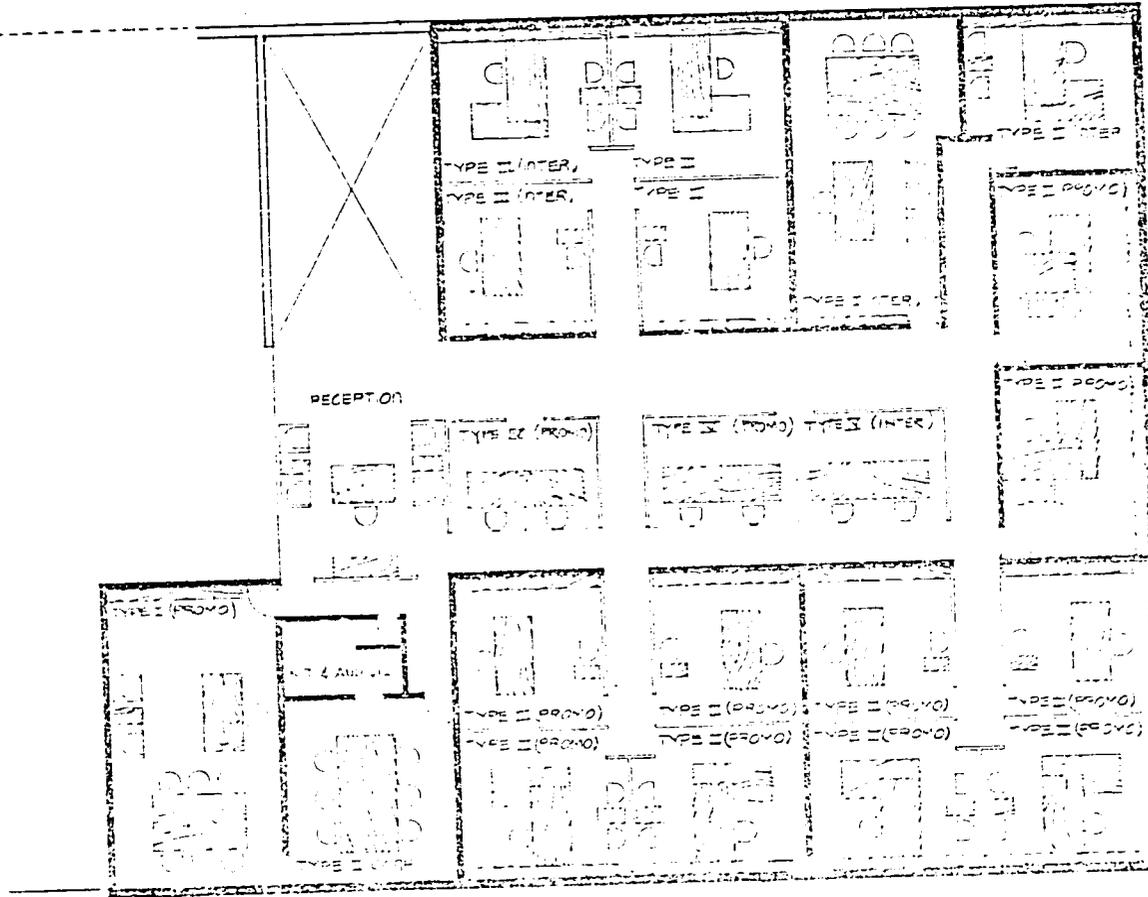


A-VIII-21

Arthur D Little International, Inc

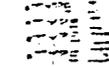
220

Expansion

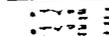


**Legend**

OFFICE TYPES

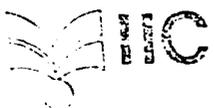


CONFERENCE ROOMS



ABBREVIATIONS

- (DIR) DIRECTOR'S OFFICE
- (INFO SER) INFORMATION SERVICES
- (DATA) DATA SERVICES
- (LIB) LIBRARY SERVICES
- (COUN) COUNSEL SERVICES
- (INV) INVESTOR SERVICES
- (PROV) PROVISION SVCS
- (REG) REGIONAL SERVICES
- (INTER) INTERNATIONAL CLERK



**Comprehensive Design Alternative: Level 3**  
Cairo Center

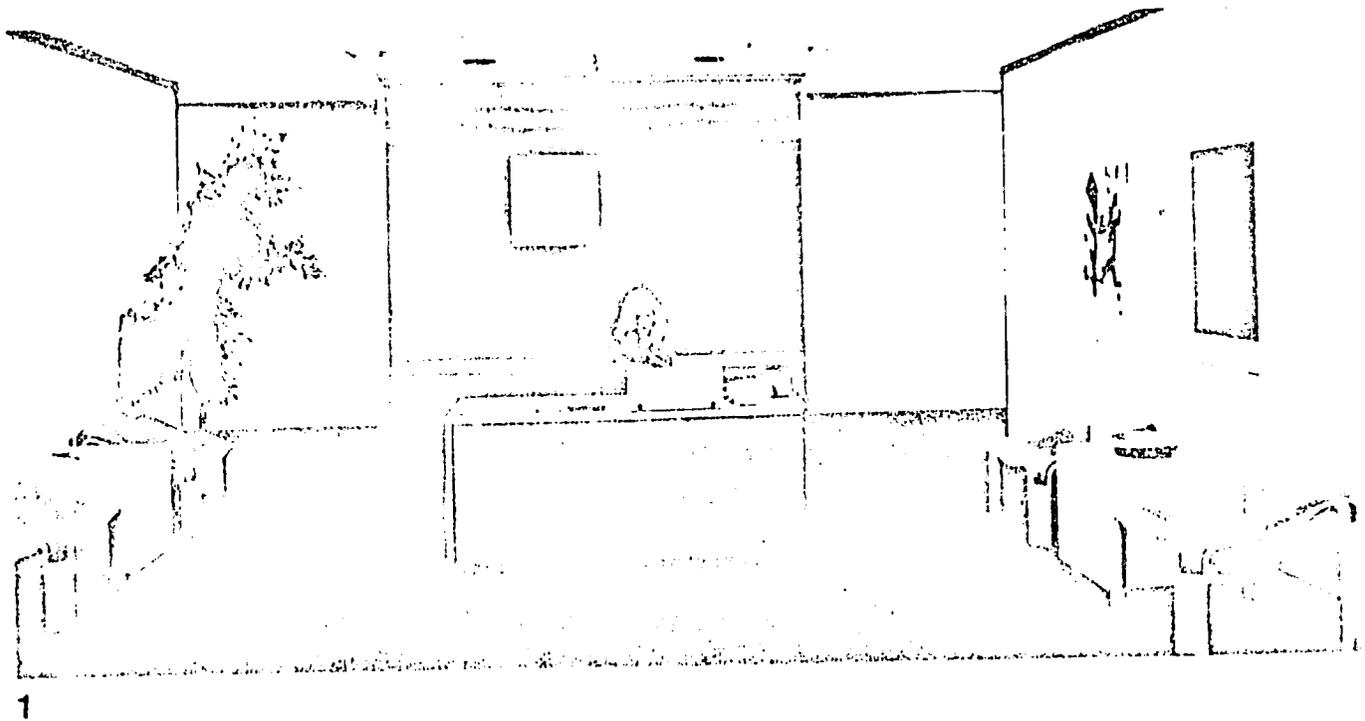
A-VIII-22

Arthur D Little International, Inc

121

# Landscape Partitions

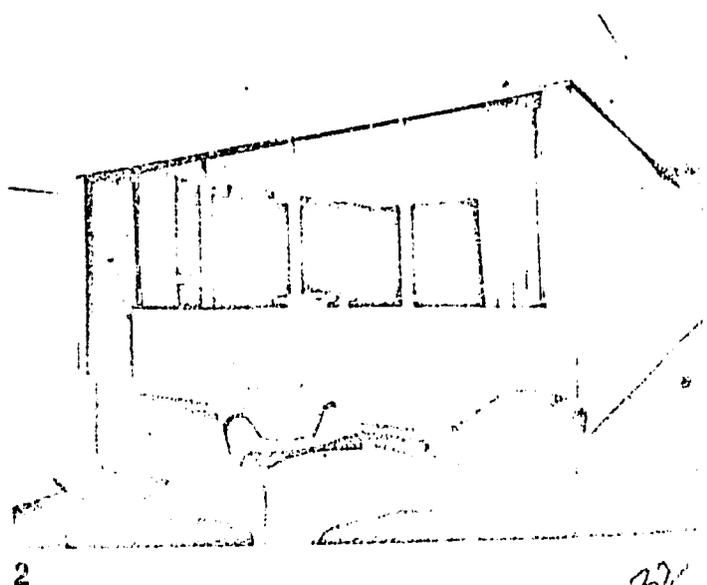
This attachment shows examples of the "open landscape" type furnishings suitable for use in the Information Center. They are selected from various United States manufacturers.



1

1 Example of use in interior reception area, providing attractive point of arrival and adequate wall space for displaying exhibits.

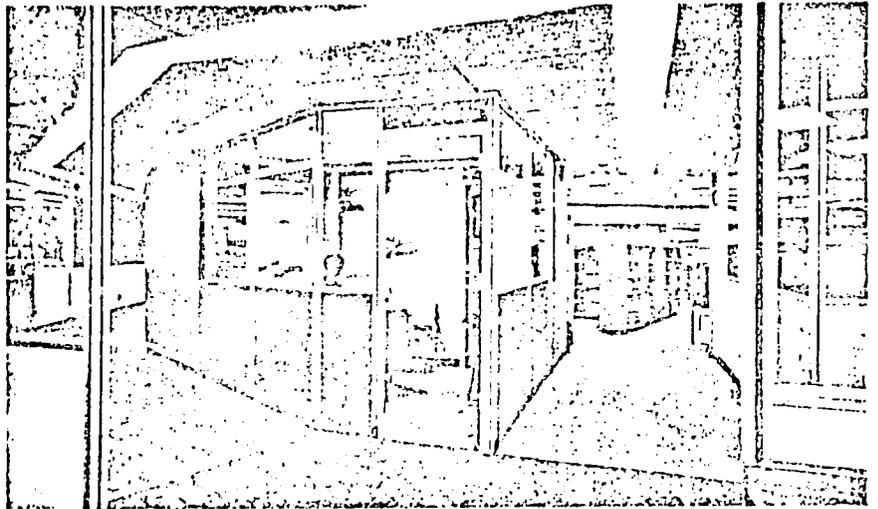
2 Example illustrating good relationship between reception area and library or conference room.



2

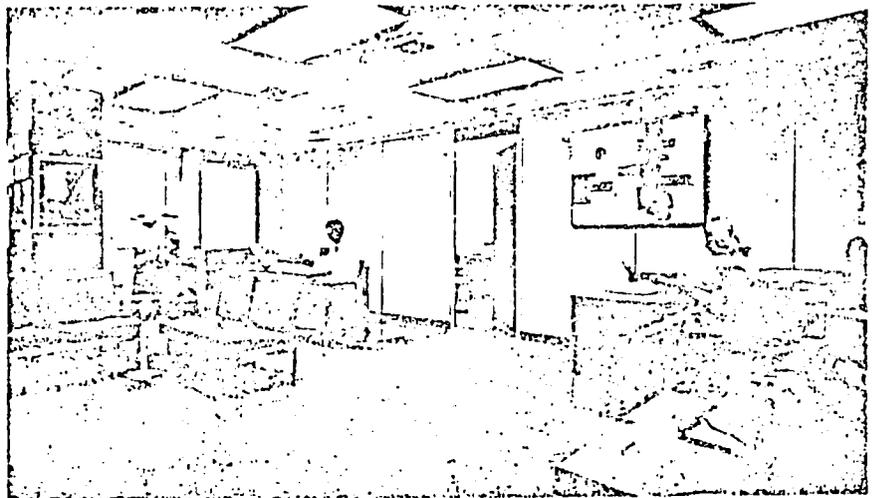
# Landscape Partitions

1 Example illustrating relationship of supervisor's office and the library.



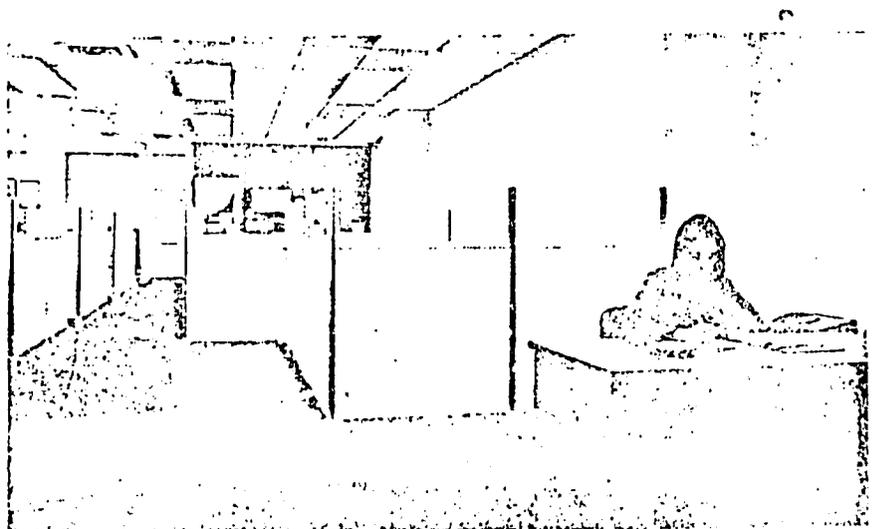
1

2 Example illustrating support staff work stations at Director's office, or support staff stations in the library.



2

3 Example illustrating support staff work station.

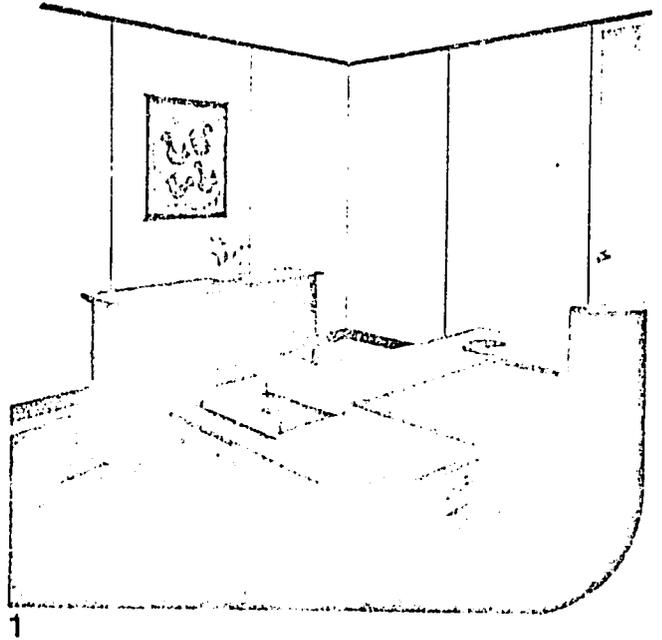


3

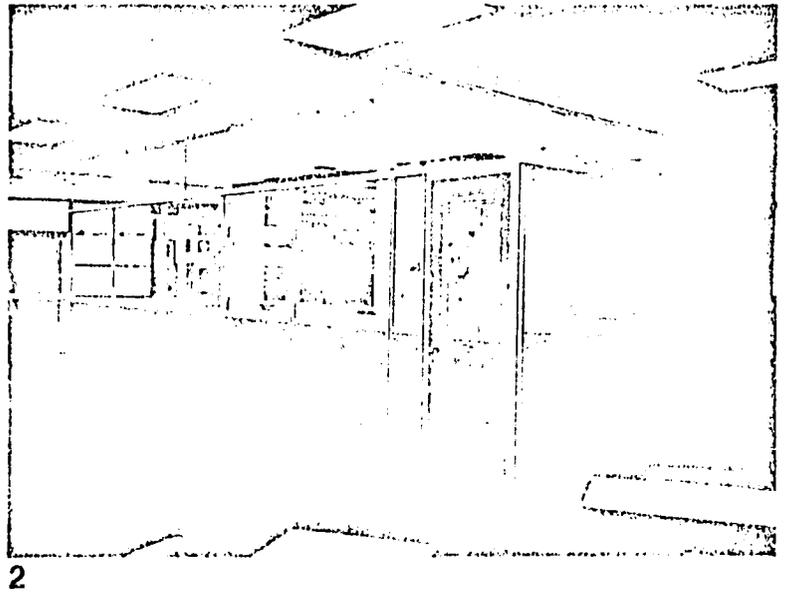
297

# Landscape Partitions

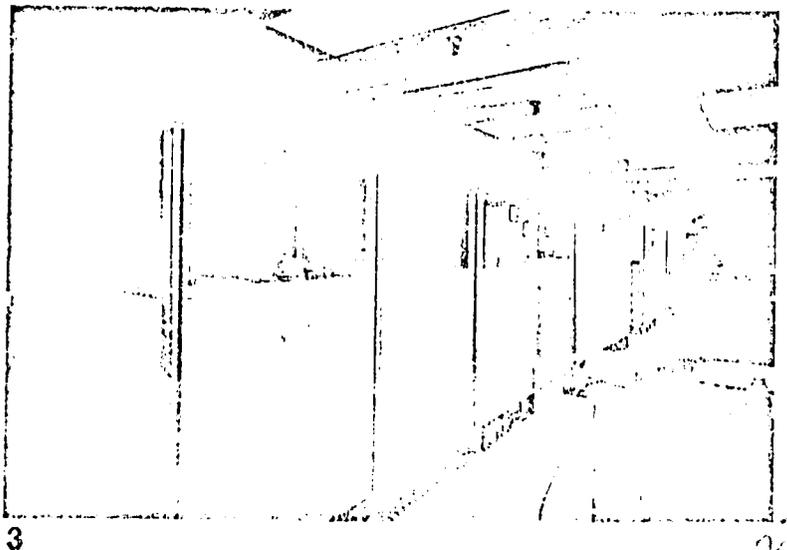
- 1 Example illustrating use in Department Head or Supervisor's office.



- 2 Example illustrating use in Junior or Senior Professional's office.

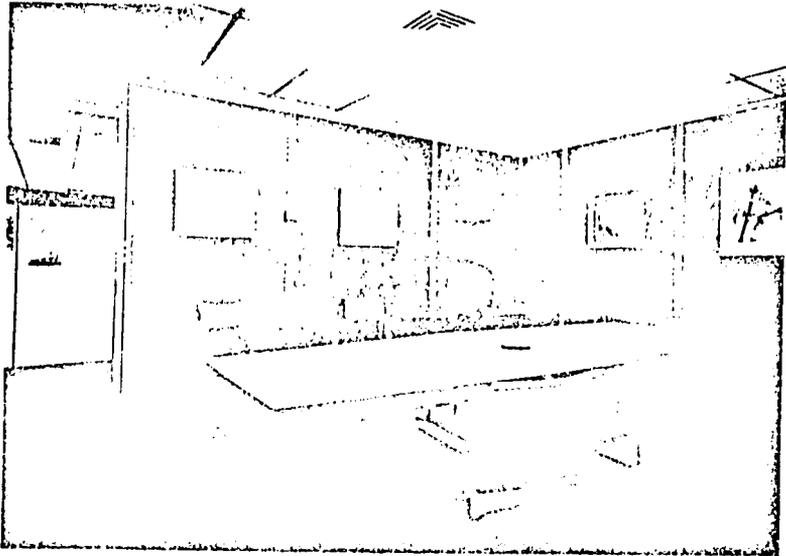


- 3 Example of use in support personnel staff areas.



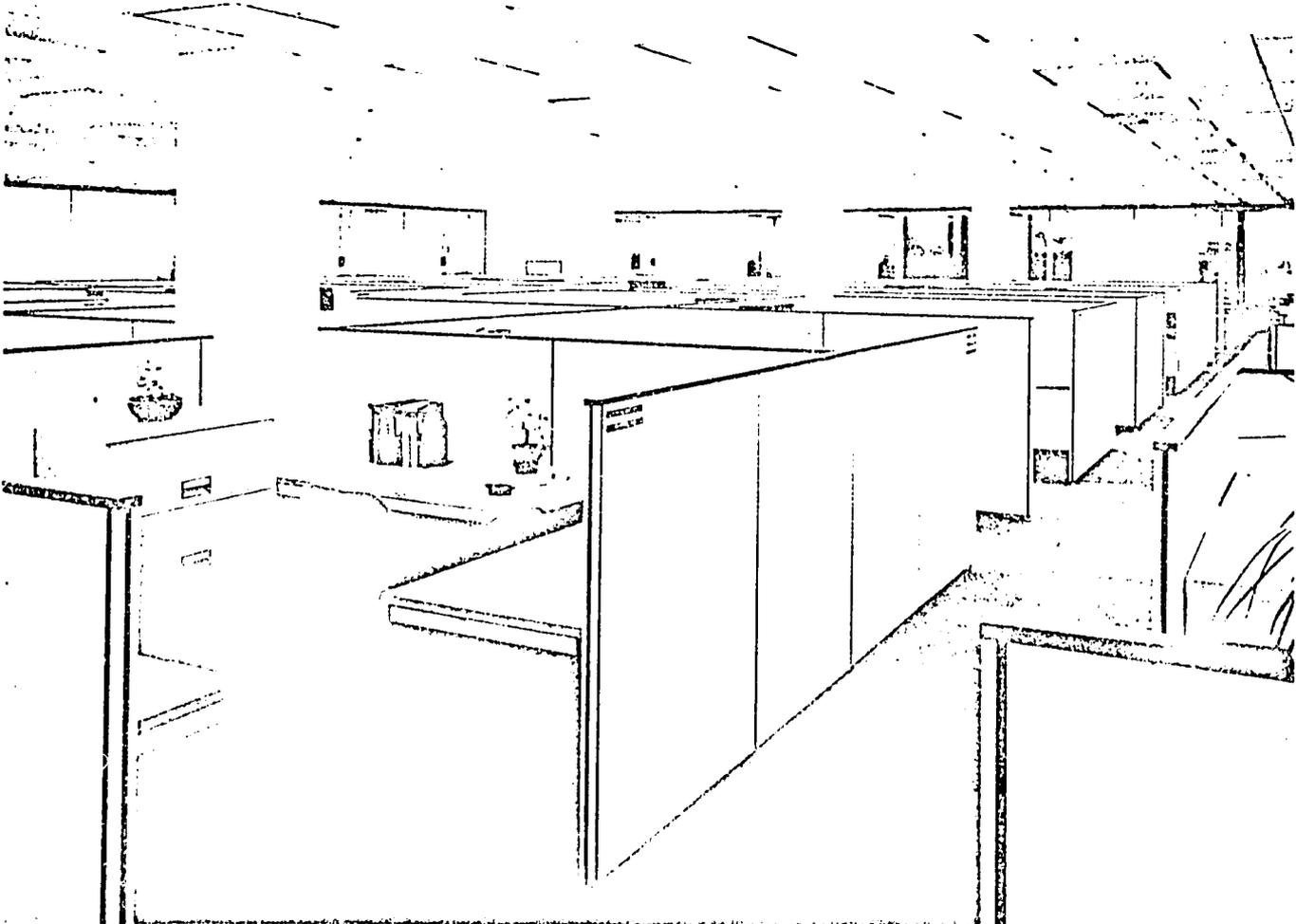
# Landscape Partitions

1 Example illustrating Type II Conference Room



1

2 Example illustrating support staff work area.



2

225

## E. COST DATA

As a guide to costs associated with the Physical Facilities, the following tables illustrate current pricing estimates.

### 1. Office Space

We have estimated current rental and purchase prices in several locations as a guide to the location decision. Table A-VIII-3 illustrates the range of costs which apply to the areas noted (1980 L.E.). Prices are shown for the Basic Design Alternative for comparison purposes, even though it is preferable to locate this option in existing Authority space at 8 Adly Street where there would be no direct rental cost.

### 2. Office Furnishings

Table A-VIII-4 provides an estimate of capital costs associated with office furnishings. The estimates are based on the assumption that all furnishings will be purchased in Egypt. Prices for "landscape" type furnishings are not yet available. Such furnishings would need to be imported and are therefore subject to duty.

### 3. Renovation

Table A-VIII-5 provides a rough estimate of the typical cost for renovating office space in a manner that would meet the standards and designs presented here.

TABLE A-VIII-3

OFFICE RENTAL/PURCHASE COST RANGE  
(L.E. 1980)

| Office Space Rental | L.E./m <sup>2</sup> | Total Estimated Rental Cost Per Annum. |   |                 |                |
|---------------------|---------------------|--|---|-----------------|----------------|
|                     |                     | Cairo Center                           |   | Regional Office |                |
|                     |                     | Basic Design 800m <sup>2</sup>         | Comprehensive Design 2000m <sup>2</sup> | Type I (L.E.)   | Type II (L.E.) |
| • Central Cairo     | 25-40               | 20,000-32,000                          | 50,000-80,000                           |                 |                |
| • Dokki/Muhandeseen | 25-40               | 20,000-32,000                          | 50,000-80,000                           |                 |                |
| • Garden City       | 25-40               | 20,000-32,000                          | 50,000-80,000                           |                 |                |
| • Zamelek           | 25-40               | 20,000-32,000                          | 50,000-80,000                           |                 |                |
| • Nasr City         | 17-25               | 14,000-20,000                          | 34,000-50,000                           |                 |                |
|                     |                     |  |   | 2,500-4,000     |                |
| • Alexandria        | 25-40               |  |   | 2,500-4,000     |                |
| • Port Said         | 25-40               |  |   |                 | 1,000-1,500    |
| • Minya             | 17-25               |  |   |                 | 1,000-1,500    |
| • Assiut            | 17-25               |  |   |                 |                |

| Office Space Purchase | L.E./m <sup>2</sup> | Total Estimated Purchase Cost. |   |                 |               |
|-----------------------|---------------------|--------------------------------|---|-----------------|---------------|
|                       |                     | Cairo Center                   |   | Regional Office |               |
|                       |                     | Basic Design 800m <sup>2</sup> | Comprehensive Design 2000m <sup>2</sup> | Type I          | Type II       |
| • Central Cairo       | 300-400             | 240,000-300,000                | 600,000-800,000                         |                 |               |
| • Dokki/Muhandeseen   | 300-400             | 240,000-300,000                | 600,000-800,000                         |                 |               |
| • Garden City         | 300-400             | 240,000-300,000                | 600,000-800,000                         |                 |               |
| • Zamelek             | 300-400             | 240,000-300,000                | 600,000-800,000                         |                 |               |
| • Nasr City           | 200-250             | 160,000-200,000                | 400,000-500,000                         |                 |               |
|                       |                     |                                |   | 30,000-40,000   |               |
| • Alexandria          | 300-400             |                                |   | 30,000-40,000   |               |
| • Port Said           | 300-400             |                                |   |                 | 11,000-14,000 |
| • Minya               | 180-220             |                                |   |                 | 11,000-14,000 |
| • Assiut              | 180-220             |                                |   |                 |               |

TABLE A-VIII-4

COST ESTIMATES FOR FURNISHINGS  
TYPICAL OFFICE/CONFERENCE (L.E.)

|                     | Average Cost<br>Per Unit (L.E.) | Cairo Center |         |                      |         | Regional Office |         |
|---------------------|---------------------------------|--------------|---------|----------------------|---------|-----------------|---------|
|                     |                                 | Basic Design |         | Comprehensive Design |         | Type I          | Type II |
|                     |                                 | #Units       | Cost    | # Units              | Cost    |                 |         |
| Office Type I       | 7,500                           | 2            | 15,000  | 10                   | 75,000  |                 |         |
| Office Type II      | 4,000                           | 3            | 12,000  | 11                   | 44,000  |                 |         |
| Office Type III     | 2,500                           | 18           | 45,000  | 39                   | 97,500  |                 |         |
| Office Type IV      | 750                             | 10           | 7,500   | 25                   | 18,750  |                 |         |
| Conference I        | 9,000                           | 1            | 9,000   | 1                    | 10,000  |                 |         |
| Conference II       | 3,500                           |              |         | 3                    | 10,500  |                 |         |
| Library             | 15,000                          | 1            | 15,000  | 1                    | 15,000  |                 |         |
| Reception           | 10,000                          | 1            | 10,000  | 1                    | 15,000  |                 |         |
| Other Circulation   | 1,000                           | 1            | 5,000   | 1                    | 10,000  |                 |         |
| Micro-Film          | 1,000                           | 1            | 1,000   |                      | 2,500   |                 |         |
| Computer Room       | 1,000                           | 1            | 1,000   | 1                    | 2,500   |                 |         |
| Storage             | 1,000                           | 1            | 1,000   | 1                    | 2,500   |                 |         |
| Excluding Equipment |                                 |              | 119,500 |                      | 303,250 | 20,000          | 7,500   |

TABLE A-VIII-5

TYPICAL COSTS FOR OFFICE RENOVATION (L.E.)

Typical Costs for Office Renovation (L.E.)

| <u>Item of Renovation</u>           | <u>Typical Unit Cost</u>                    |
|-------------------------------------|---|
| • Removal of partitions             | L.E. 8.00 / linear meter                    |
| • Patching of walls & ceiling       | 3.00 / m <sup>2</sup>                       |
| • Patching of floors                | 11.00 / m <sup>2</sup>                      |
| • Painting                          | 3.50 / m <sup>2</sup>                       |
| • Electrical Work (simple fixtures) | 15.00 / floor fixture<br>.50 / linear meter |

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On average, the estimated cost of renovation per square meter L.E. 100 - 150 / m<sup>2</sup>

## F. LOCATION CONSIDERATIONS

Based on the criteria described in Section B, we evaluated several location options which were inspected by the project team. They are listed in order of preference.

### 1. Space Within the Existing Authority Facilities at 8 Adly Street

a. This is the ideal location from the point of view of a centralized facility. Access to other Authority functions and shared use of the library are optimum. It is a building owned by the Ministry of Economy and Economic Cooperation and Authority functions are currently housed on its upper floors. The first choice for the IIC location would be on the first floor of the building. The unusually high ceilings provide an excellent type of space from the point of view of light, quality, and convenience. Consideration should be given to modernizing the ground floor space so that it connects more visibly with the first floor. The information and security functions currently located on the ground floor could be incorporated in a scheme which directs the visitor's circulation path from entry through security, the general information desk, to the information center reception on the upper level. This continuous movement/circulation pattern could be efficiently laid out and made very attractive to visitors. We estimate that the Basic Design Alternative could be contained within this space. We investigated, in a preliminary manner, the option of constructing a balcony or raised center "island" in this space, but the floor-to-ceiling height appears to be insufficient for two levels. Some disadvantages should be noted:

- The space is now occupied by Authority functions which would need to be relocated to other space.
- Modernization of this space would require modifications to the structure, including additional stairways or openings between the ground and first floors.
- Parking is extremely limited.

b. As an alternative to the first floor space, another option would be to modernize one or more of the upper floors now occupied by the Authority. The ground and first floors each have approximately 800m<sup>2</sup> of space, which is sufficient to accommodate the Basic Design Alternative. Each upper floor has 600m<sup>2</sup> of space. The Comprehensive Design Alternative would require approximately three floors. Discussions with the architects of the building

indicate that it is not structurally feasible to add additional floors to the building. The 13th floor has been committed to the Capital Markets Authority and has not been considered as an option for the IIC. If this alternative is chosen, some of the present functions would need to be relocated to other space outside of the building. Discussions in Cairo included the possibility of moving the Free Zones Division to new facilities at the Nasr City Free Zones site, however, this has not been explored in detail.

## 2. Space in Central Cairo

Another choice would be to locate the IIC in a nearby building in central Cairo. Although this is a feasible idea from the point of view of proximity and communication, the space should be no further than five minutes' walk from 8 Adly Street. Distances further than this will seriously disrupt efficient communication and access to the library. The new building nearing completion, adjacent to the Authority, would be ideal for this purpose; but the rental/purchase price may be prohibitive. Again, the lack of parking is a problem.

## 3. The Existing Authority Structure at the Fairgrounds Site

We have inspected the existing structure at the Fairgrounds site which was recently built for the Trade Fair. The advantage of this space is that it is currently owned by the Authority, and the physical surroundings, including the garden area, are pleasant. There is adequate space to accommodate both alternatives at this location. The disadvantages of this space are that:

- The IIC (particularly the library) would be physically separated from the Authority Offices.
- The annual Trade Fair requires temporary use of the entire facility so that additional space would need to be constructed for the IIC. On the other hand, if space were available, it would be desirable to make permanent use of the present structure, and the IIC is a natural function to be associated with the annual Trade Fair.

## 4. We have generally investigated other locational options, including:

- Dokki/Mohandeseen
- Zamalek
- Garden City
- Maadi
- Nasr City Free Zone Site

It is our judgment that the principal disadvantage of these locations is that the criteria for keeping the IIC and the Authority together cannot be met unless the entire facility is relocated to new headquarters.

If it were feasible to consider relocating the entire Authority within the IIC, we would recommend searching for an existing office building or villa which could be leased or purchased and renovated for use by the Authority. The reason is that the lead time required to design and construct a new headquarters would be approximately six months to one year once a suitable building is found.

If this "existing office or villa" alternative is chosen, there are several advantages to the Dokki/Mohandeseen area. New office- or villa-type space appears to be available in several areas. A careful search must be made in order to find quarters of adequate size. The first preference would be to find a new building in construction which could be modified to meet the specific needs of the Authority. Alternatively, an older building could be purchased and modified. Parking is generally adequate; the location is known to visitors, and is convenient to employees. Traffic congestion is substantially less than in central Cairo.

In Zamelek, or Garden City, a similar approach could be taken; but the traffic congestion and parking limitations are no better than in central Cairo.

Maadi is about 20 kilometers from central Cairo, and is too far away to be convenient to foreign visitors and to employees. We do not recommend this location.

Nasr City Free Zones Site does not have adequate existing space to accommodate the smallest alternative for the IIC and is not recommended.

If the final decision, however, is to construct new quarters in one of the above locations, the IIC could operate, in temporary quarters, during the construction period at a reduced level of effectiveness--so long as the commitment to move the entire Authority to this location was made initially and steps are taken to proceed immediately with the design of the new total facility. In this case, the Nasr City Free Zone Site has the advantage of

an available site owned by the Authority upon which construction could begin. The principal disadvantages are that the space available to the IIC in the existing Administration Building is inadequate even on an interim basis, and the site itself is too inconvenient compared with other locations.

APPENDIX IX

BUDGET

APPENDIX IX

BUDGET

APPENDIX IX

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## APPENDIX IX

### BUDGET

#### A. INTRODUCTION

This Appendix describes the assumptions underlying the five year budget estimates for the IIC under the two alternative designs.

The budget consists of two major budget categories -- personnel, and expenses. Budget estimates for each category are made on the basis of requirements and assumed cost of each unit of requirement. For personnel the unit of requirement is the number of people associated with the IIC. For expenses, units of requirements vary with the expense category. Six expense categories have been considered -- space, equipment, supplies, training, travel and contract services. Expense categories are made up of expense items such as office equipment, data processing equipment, communications machines, type of travel, type of training and other items.

Estimates for budget items are also categorized as either capital or operating expenditures. One time expenditures such as for major equipment (e.g., office equipment, furnishings, vehicles, initial library collection) are considered capital expenditures, other expenditures recurring annually such as for salaries, maintenance of operation of equipment and contract services are considered operating expenditures.

The estimated budget is a preliminary, first order of magnitude budget. It should be refined during the Development Phase of the IIC (see Appendix X). A 15% contingency is included to cover unanticipated as well as underestimated costs.

## B. BUDGET ESTIMATES

Estimated expenditures for the Development Phase (the period immediately preceding the Operation Phase, i.e., Year 0) for both designs are shown in Table A-IX-1.

Tables A-IX-2 through A-IX-5 show the detailed budget estimates for the alternative designs for years 1 through 5--the Operation Phase of the IIC. Total expenditures, including the Development Phase over the first five years are estimated at about \$12 million for the Basic Design and \$25 million for the Comprehensive Design. Total foreign exchange requirements are approximately \$8 and \$17.5 million respectively. In the fifth year when the IIC would be fully operational, the per capita (per staff person) operating costs would amount to \$50,000 for the Basic Design and \$42,000 for the Comprehensive Design. Operating costs would be about \$2.5 million and \$5.75 million respectively.

It should be recognized that in providing the estimates in this Appendix we have necessarily sought to err on the high side. It is more desirable to proceed from a decision base that has included reasonable contingencies than to find out, after the decision has been made, that unexpected events have not been allowed for.

We recognize that the budget allocation for Contract Services is quite large--more than 50% of the annual budget for either design. This is for two reasons:

1. Initially, a relatively heavy share of contracted professional services will be needed to supplement the IIC's staff, assist them in building up the IIC's information base and operating procedures, and provide training--both formal and on-the-job.
2. The personnel salary schedule is low compared to prevailing contract professional services cost schedule.

Contract services in this case include management consulting, data processing and advertising services. More specific descriptions of what these services would be used for may be seen by reviewing the work program described in Appendix X. These support services are essential for the successful development of the IIC. Furthermore, as noted, management consulting services provide an opportunity for "on-the-job" training of the IIC staff as well as staff support. Amounts budgeted are to be used on an "as needed" basis. To the extent that salaries are adjusted upwards, the proportion for consulting services will be reduced. Further, to the extent that IIC staff can develop the programs and accomplish the IIC objectives with less contract support, again, the need for consulting services will be reduced.

Data processing and advertising services are necessary to accomplish the objectives of the IIC. Such services cannot be substituted by staff work nor should the Authority expect to develop these capabilities in-house; they are, therefore, necessary adjuncts to the IIC activities.

TABLE A-IX-1

BUDGET ESTIMATE

DEVELOPMENT PHASE (Year 0)

(Thousands of Pounds or Dollars, 1980 Prices)

|                   | Basic Design |    |           |     | Comprehensive Design |     |           |      |  |
|-------------------|--------------|----|-----------|-----|----------------------|-----|-----------|------|--|
|                   | Capital      |    | Operating |     | Capital              |     | Operating |      |  |
|                   | LE           | \$ | LE        | \$  | LE                   | \$  | LE        | \$   |  |
| SPACE             | 120          |    |           |     |                      | 210 |           |      |  |
| TRAINING          |              |    |           | 10  |                      |     |           | 16   |  |
| TRAVEL            |              |    | 9         |     |                      |     | 9         | 9    |  |
| CONTRACT SERVICES |              |    |           |     |                      |     |           |      |  |
| Consulting        |              |    | 60        | 600 |                      |     | 75        | 750  |  |
| Data Processing   |              |    | 10        | 100 |                      |     | 10        | 100  |  |
| SUBTOTAL          | 120          |    | 79        | 710 | 210                  |     | 94        | 875  |  |
| Contingency (15%) | 18           |    | 12        | 107 | 32                   |     | 14        | 131  |  |
| TOTAL             | 138          |    | 91        | 816 | 242                  |     | 108       | 1006 |  |



TABLE A-IX-3

DISTRIBUTION OF BUDGET BY CATEGORY  
(Percent)

BASIC DESIGN

|                   | Year 0  |           | Year 1  |           | Year 2  |           | Year 3  |           | Year 4  |           | Year 5  |           |
|-------------------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|
|                   | CAPITAL | OPERATING |
| PERSONNEL         |         |           |         | 7         |         | 7         |         | 7         |         | 7         |         | 7         |
| EXPENSES          | 100     | 100       | 100     | 93        | 100     | 93        | 100     | 93        | 100     | 93        | 0       | 93        |
| SPACE             | 100     |           |         | 3         | 100     | 3         | 100     | 3         | 100     | 3         |         | 3         |
| EQUIPMENT         |         |           | 89      | 8         |         | 8         |         | 9         |         | 8         |         | 8         |
| SUPPLIES          |         |           | 11      | 2         |         | 3         |         | 3         |         | 3         |         | 3         |
| TRAINING          |         | 1         |         | 9         |         | 8         |         | 6         |         | 5         |         | 5         |
| TRAVEL            |         | 2         |         | 4         |         | 4         |         | 5         |         | 5         |         | 5         |
| CONTRACT SERVICES |         | 97        |         | 68        |         | 67        |         | 68        |         | 68        |         | 68        |
| TOTAL             |         |           |         |           |         |           |         |           |         |           |         |           |
| PERCENT           | 100     | 100       | 100     | 100       | 100     | 100       | 100     | 100       | 100     | 100       | 100     | 100       |
| \$(THOUSAND)      | 193     | 943       | 542     | 1,734     | 33      | 1,964     | 74      | 2,191     | 3       | 2,269     | 0       | 2,269     |

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Arthur D Little International, Inc

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TABLE IX-4

## BUDGET ESTIMATE

COMPREHENSIVE DESIGN - OPERATIONS PHASE (Years 1-5)  
(Thousands of LE or \$, 1980 Prices)

|                       | Year 1  |     | Year 2    |         | Year 3  |    | Year 4    |         | Year 5  |     |           |         |    |    |      |         |   |   |      |         |
|-----------------------|---------|-----|-----------|---------|---------|----|-----------|---------|---------|-----|-----------|---------|----|----|------|---------|---|---|------|---------|
|                       | CAPITAL |     | OPERATING |         | CAPITAL |    | OPERATING |         | CAPITAL |     | OPERATING |         |    |    |      |         |   |   |      |         |
|                       | LE      | \$  | LE        | \$      | LE      | \$ | LE        | \$      | LE      | \$  | LE        | \$      |    |    |      |         |   |   |      |         |
| PERSONNEL             |         |     | 191       | 151     |         |    | 226       | 201     |         |     | 250       | 252     |    |    | 285  | 302     |   |   | 285  | 302     |
| EXPENSES              | 335     | 454 | 411       | 1960    | 54      | 83 | 485       | 2237    | 54      | 104 | 582       | 2569    | 24 | 78 | 642  | 2857    | 0 | 0 | 646  | 2856    |
| SPACE                 | 30      |     | 57        | 60      | 30      |    | 64        | 80      | 30      |     | 71        | 100     |    |    | 78   | 120     |   |   | 78   | 120     |
| Cairo                 | 30      |     | 49        |         | 30      |    | 56        |         | 30      |     | 63        |         |    |    | 70   |         |   |   | 70   |         |
| Regions               |         |     | 8         |         |         |    | 8         |         |         |     | 8         |         |    |    | 8    |         |   |   | 8    |         |
| Foreign               |         |     |           | 60      |         |    | 80        |         |         |     | 100       |         |    |    | 120  |         |   |   | 120  |         |
| EQUIPMENT             | 300     | 409 | 47        | 153     | 24      | 83 | 53        | 191     | 24      | 104 | 65        | 242     | 24 | 78 | 66   | 273     |   |   | 70   | 273     |
| Furnishings           | 298     | 215 |           |         | 24      | 53 |           |         | 23      | 53  |           |         | 23 | 53 |      |         |   |   |      |         |
| Office                |         | 47  | 4         | 1       |         | 17 | 4         | 1       |         | 11  | 4         | 2       |    | 17 | 4    | 2       |   |   | 8    | 2       |
| Data Processing       |         | 45  | 19        | 45      |         | 5  | 24        | 55      |         | 5   | 30        | 5       |    |    | 30   | 55      |   |   | 30   | 55      |
| Reproduction          |         | 36  | 3         | 9       |         |    | 3         | 12      |         | 25  | 5         | 15      |    |    | 5    | 18      |   |   | 5    | 18      |
| Transportation        |         | 56  | 15        | 11      |         | 8  | 16        | 15      |         | 8   | 19        | 19      |    | 8  | 20   | 23      |   |   | 20   | 23      |
| Communication         | 2       | 10  | 6         | 87      |         |    | 6         | 108     |         | 2   | 7         | 151     | 1  |    | 7    | 175     |   |   | 7    | 175     |
| SUPPLIES              | 5       | 45  | 41        | 2       |         |    | 54        | 17      |         |     | 63        | 17      |    |    | 71   | 18      |   |   | 71   | 18      |
| Mail                  |         |     | 2         | 1       |         |    | 3         | 1       |         |     | 3         | 1       |    |    | 3    | 1       |   |   | 3    | 1       |
| Library               | 5       | 45  | 0         | 0       |         |    | 2         | 15      |         |     | 2         | 15      |    |    | 2    | 15      |   |   | 2    | 15      |
| Publications          |         |     | 36        | 0       |         |    | 45        | 0       |         |     | 54        | 0       |    |    | 61   | 0       |   |   | 61   | 0       |
| Miscellaneous         |         |     | 3         | 1       |         |    | 4         | 1       |         |     | 4         | 1       |    |    | 5    | 2       |   |   | 5    | 2       |
| TRAINING <sup>1</sup> |         |     | [30]      | 407[42] |         |    | [30]      | 371[43] |         |     | [26]      | 326[36] |    |    | [26] | 326[36] |   |   | [26] | 326[36] |
| TRAVEL                |         |     | 53        | 138     |         |    | 58        | 138     |         |     | 78        | 173     |    |    | 83   | 185     |   |   | 83   | 185     |
| CONTRACT SERVICES     |         |     | 213       | 1200    |         |    | 256       | 1440    |         |     | 305       | 1711    |    |    | 344  | 1935    |   |   | 344  | 1934    |
| Consulting            |         |     | 150       | 840     |         |    | 154       | 864     |         |     | 168       | 941     |    |    | 155  | 871     |   |   | 103  | 580     |
| Data Processing       |         |     | 42        | 240     |         |    | 64        | 360     |         |     | 76        | 428     |    |    | 86   | 484     |   |   | 103  | 580     |
| Advertising           |         |     | 21        | 120     |         |    | 38        | 216     |         |     | 61        | 342     |    |    | 103  | 580     |   |   | 138  | 774     |
| SUBTOTAL              | 335     | 454 | 602       | 2111    | 54      | 83 | 711       | 2438    | 54      | 104 | 832       | 2821    | 24 | 78 | 927  | 3159    | 0 | 0 | 931  | 3158    |
| CONTINGENCY (15%)     | 45      | 68  | 90        | 316     | 8       | 12 | 106       | 365     | 8       | 16  | 125       | 423     | 4  | 12 | 139  | 474     |   |   | 139  | 473     |
| TOTAL                 | 380     | 522 | 692       | 2427    | 62      | 95 | 817       | 2803    | 62      | 120 | 957       | 3244    | 28 | 90 | 1068 | 3633    | 0 | 0 | 1070 | 3631    |

<sup>1</sup> All training estimates are included under the \$ accounts. Numbers in [ ] indicate the LE amounts included under the \$ accounts.

TABLE A-IX-5

DISTRIBUTION OF BUDGET BY CATEGORY  
(Percent)

COMPREHENSIVE DESIGN

|                   | Year 0  |           | Year 1  |           | Year 2  |           | Year 3  |           | Year 4  |           | Year 5  |           |
|-------------------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|---------|-----------|
|                   | CAPITAL | OPERATING |
| PERSONNEL         |         |           |         | 14        |         | 15        |         | 15        |         | 16        |         | 16        |
| EXPENSES          | 100     | 100       | 100     | 86        | 100     | 85        | 100     | 85        | 100     | 84        | 0       | 84        |
| SPACE             | 100     |           | 5       | 5         | 26      | 5         | 23      | 5         |         | 5         |         | 5         |
| EQUIPMENT         |         |           | 90      | 7         | 74      | 8         | 77      | 8         | 100     | 8         |         | 8         |
| SUPPLIES          |         |           | 5       | 2         |         | 3         |         | 3         |         | 3         |         | 3         |
| TRAINING          |         | 2         | 5       | 14        |         | 11        |         | 8         |         | 7         |         | 7         |
| TRAVEL            |         | 2         |         | 7         |         | 6         |         | 7         |         | 7         |         | 7         |
| CONTRACT SERVICES |         | 96        |         | 51        |         | 52        |         | 54        |         | 54        |         | 54        |
| TOTAL             |         |           |         |           |         |           |         |           |         |           |         |           |
| PERCENT           | 100     | 100       | 100     | 100       | 100     | 100       | 100     | 100       | 100     | 100       | 100     | 100       |
| \$(THOUSAND)      | 338     | 1,157     | 1,054   | 3,396     | 176     | 3,947     | 201     | 4,584     | 129     | 5,128     | 0       | 5,129     |

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C. ASSUMED COSTS AND REQUIREMENTS

1. Personnel

a. Units and Costs

Personnel cost estimates reflect expenditures for staff, i.e., salaries. A salary schedule (see Appendix VI, Staffing) has been assumed covering the six staff levels included in the IIC. Salaries assumed include all bonuses, overtime and benefits. The following schedule has been used to estimate personnel expenditures:

| Staff Level | Average Salary<br>(LE per year) | Range<br>(LE per year) |
|-------------|---------------------------------|------------------------|
| 1           | 5,000                           | 4,250-5,750            |
| 2           | 4,250                           | 3,500-5,000            |
| 3           | 3,500                           | 2,750-4,250            |
| 4           | 2,750                           | 2,000-3,500            |
| 5           | 2,000                           | 1,250-2,750            |
| 6           | 1,500                           | 1,000-2,000            |

The above salaries apply for personnel in Cairo and the Regional Offices. Personnel expenditures for Foreign Offices include an addition of 200% of Egyptian salaries in dollar equivalents.

b. Requirements

The estimated personnel requirements are shown in Table A-IX-6. The number of staff required, their function and qualifications are described in Appendix VI, Staffing.

2. Space

a. Units and Costs

Cost estimates under this category reflect expenditures for site preparation and rental of facilities. While site preparation and rental costs may not be borne directly by the IIC if it is located in a government building, such costs have been included in the budget to represent the opportunity cost of the space used. Site preparation costs are accounted as capital expenditures; rental as operating expenditures. Both are estimated under the local currency account. Costs for site preparation and rental are

TABLE A-IX-6  
PERSONNEL REQUIREMENTS

|       |  | <u>BASIC DESIGN</u> |    |   |        |    |   |        |    |   |        |    |   |        |    |   |
|-------|--|---------------------|----|---|--------|----|---|--------|----|---|--------|----|---|--------|----|---|
|       |  | Year 1              |    |   | Year 2 |    |   | Year 3 |    |   | Year 4 |    |   | Year 5 |    |   |
| Level |  | C                   | R  | F | C      | R  | F | C      | R  | F | C      | R  | F | C      | R  | F |
| 1     |  | 0                   |    |   | 0      |    |   | 0      |    |   | 0      |    |   | 0      |    |   |
| 2     |  | 2                   |    |   | 2      |    |   | 2      |    |   | 2      |    |   | 2      |    |   |
| 3     |  | 3                   | 4  |   | 3      | 4  |   | 3      | 4  |   | 3      | 4  |   | 3      | 4  |   |
| 4     |  | 5                   |    |   | 5      |    |   | 8      |    |   | 8      |    |   | 8      |    |   |
| 5     |  | 5                   | 4  |   | 8      | 4  |   | 9      | 4  |   | 10     | 4  |   | 10     | 4  |   |
| 6     |  | 7                   | 4  |   | 8      | 4  |   | 9      | 4  |   | 10     | 4  |   | 10     | 4  |   |
| Total |  | 22                  | 12 | 0 | 26     | 12 | 0 | 31     | 12 | 0 | 33     | 12 | 0 | 33     | 12 | 0 |
|       |  | 34                  |    |   | 38     |    |   | 43     |    |   | 45     |    |   | 45     |    |   |

|       |  | <u>COMPREHENSIVE DESIGN</u> |    |    |        |    |    |        |    |    |        |    |    |        |    |    |
|-------|--|-----------------------------|----|----|--------|----|----|--------|----|----|--------|----|----|--------|----|----|
|       |  | Year 1                      |    |    | Year 2 |    |    | Year 3 |    |    | Year 4 |    |    | Year 5 |    |    |
| Level |  | C                           | R  | F  | C      | R  | F  | C      | R  | F  | C      | R  | F  | C      | R  | F  |
| 1     |  | 1                           |    |    | 1      |    |    | 1      |    |    | 1      |    |    | 1      |    |    |
| 2     |  | 7                           |    | 3  | 8      |    | 4  | 8      |    | 5  | 9      |    | 6  | 9      |    | 6  |
| 3     |  | 8                           | 4  | 3  | 9      | 4  | 4  | 9      | 4  | 5  | 10     | 4  | 6  | 10     | 4  | 6  |
| 4     |  | 9                           |    | 3  | 11     |    | 4  | 17     |    | 5  | 18     |    | 6  | 18     |    | 6  |
| 5     |  | 11                          | 4  |    | 15     | 4  |    | 18     | 4  |    | 22     | 4  |    | 22     | 4  |    |
| 6     |  | 15                          | 4  | 3  | 18     | 4  | 4  | 22     | 4  | 5  | 25     | 4  | 6  | 25     | 4  | 6  |
| Total |  | 51                          | 12 | 12 | 62     | 12 | 16 | 75     | 12 | 20 | 85     | 12 | 24 | 85     | 12 | 24 |
|       |  | 75                          |    |    | 90     |    |    | 107    |    |    | 121    |    |    | 121    |    |    |

C = Cairo  
 R = Regional Offices  
 F = Foreign Offices

described in Appendix VIII, Physical Facilities.

For budget estimating purposes the following unit costs have been assumed:

- Site Preparation
  - Cairo: LE 150 per square meter
  - Regions: None
  - Foreign: None
- Rent
  - Cairo: LE 35 per square meter per year
  - Regions: LE 25 per square meter per year
  - Foreign: LE 250 per square meter per year

b. Requirements

Space requirements are described in Appendix VIII, Physical Facilities. For budget estimating purposes the following specific requirements have been assumed:

(1) Basic Design

- Site Preparation
  - .. Cairo - 800 square meters
    - Year 0 - 100%
    - Years 1-5 - none
  - .. Regions - 80 square meters per Regional Office
    - Years 0-5 - none
- Occupancy
  - .. Cairo - 800 square meters
    - Year 1 - 75%
    - Year 2 - 90%
    - Years 3-5 - 100%
  - .. Regions - 80 square meters per Regional Office
    - Years 1-5 - 4 offices - 100% each

(2) Comprehensive Design

- Site Preparation
  - .. Cairo - 2,000 square meters
    - Year 0 - 70%
    - Year 1 - 10%
    - Year 2 - 10%
    - Year 3 - 10%
    - Years 4-5 - 0%

- .. Regions - 80 square meters per Regional Office
  - Years 0-5 - none
- .. Foreign - 100 square meters per Foreign Office
  - Years 0-5 - none

- Occupancy

- .. Cairo - 2,000 square meters
  - Year 1 - 70%
  - Year 2 - 80%
  - Year 3 - 90%
  - Years 4-5 - 100%
- Regions - 80 square meters per Regional Office
  - Years 1-5 - 4 offices - 100% each
- Foreign - 100 square meters per Foreign Office
  - Year 1 - 3 offices - 100% each
  - Year 2 - 4 offices - 100% each
  - Year 3 - 5 offices - 100% each
  - Years 4-5 - 6 offices - 100% each

### 3. Equipment

Expenditures under this category cover capital and operating costs of equipment required to implement LIC programs. Included are estimates for furnishings (desks, furniture and movable partitions), office equipment (typewriters, dictating machines, word processors), data processing equipment (computers, data terminals, information storage devices), reproduction equipment (xerox type copying machines), transportation equipment (cars), and communication equipment (telephone and telex machines).

Most of the equipment required would be imported and hence would require foreign exchange and may be subject to taxes and duties. Cost estimates shown do not include any such taxes or duties. Capital costs of equipment (except for furnishings such as desks and chairs which can be locally manufactured) are included in the foreign exchange account. Maintenance and operation costs of equipment in general are included in the local currency account.

#### a. Furnishings

Furnishings cost estimates reflect costs for office furnishings (desks and furniture) and landscape furnishings (partitions) for offices, conference

rooms, library, reception area, circulation areas and utility rooms. Furnishings are assumed to be available locally; however, landscape furnishings would need to be imported.

(1) Units and Costs

Furnishings costs are accounted as capital expenditures. The cost of furnishings for any one year are estimated as follows:

- Total cost of furnishings less cost of Office Types I-IV furnishings (as shown in Appendix IV, Physical Facilities) times one minus the occupancy rate of space less previous years' total furnishings cost. In equation form this may be described as follows:

$$F_t = \sum_I F - (\sum_I F)(1-r) - \sum_1^{t-1} F_t$$

where,  $F_t$  = Estimate of furnishings cost for year t,

$\sum F$  = Sum of all furnishings costs (see Appendix VIII, Physical Facilities),

$\sum_I F$  = Sum of furnishings costs for Office Types I-IV (Appendix VIII),

r = Occupancy rate as assumed for Space expenditures above,

$\sum_1^{t-1} F_t$  = Total furnishings costs estimate prior to year t.

- Foreign Currency

Cost of landscape furnishings in any year is assumed to be 25% of local currency for year in foreign currency (unconverted). For example, if furnishings cost is LE 10,000, the landscape furnishings estimate would be 10,000 x 0.25 = \$2,500.

(2) Requirements

- Basic Design

.. Cairo - Local Currency (LE)

Year 1 - 120,000 - 79,500 (1 - .75) - 0 = LE 100,000

Year 2 - 120,000 - 79,500 (1 - .90) - 100,000 = LE 12,000

Year 3 - 120,000 - 79,500 (1 - 1.0) - 112,000 = LE 8,000

Years 4-5 - 120,000 - 79,500 (1 - 1.0) - 120,000 = LE 0

.. Cairo - Foreign Currency (\$)

25% of local currency

Year 1 - \$25,000

Year 2 - \$ 3,000

Year 3 - \$2,000

Years 4-5 - \$0

.. Regions - Local Currency (LE)

-Two Type I Regional Offices, Furnishings LE 20,000 each  
(see Appendix VIII, Physical Facilities)

-Two Type II Regional Offices, Furnishings LE 7,500 each  
(see Appendix VIII)

-Total Regional Offices, LE 65,000

Occupancy: 100% - Years 1-5

Year 1 - LE 65,000

Years 2-5 - LE 0

.. Regions - Foreign Currency (\$)

25% of local currency

Year 1 - \$16,250

Years 2-5 - \$0

● Comprehensive Design

.. Cairo - Local Currency (LE)

Year 1 - 303,000 - 235,250 (1 - .70) - 0 - LE 232,500

Year 2 - 303,000 - 235,250 (1 - .80) - 232,500 = LE 23,800

Year 3 - 303,000 - 235,250 (1 - .90) - 256,300 = LE 23,200

Year 4 - 303,000 - 235,250 (1 - 1.0) - 279,500 = LE 23,500

Year 5 - 303,000 - 235,250 (1 - 1.0) - 303,000 = LE 0

.. Cairo - Foreign Currency (\$)

25% of local currency

Year 1 - \$58,150

Year 2 - \$ 6,000

Year 3 - \$ 5,800

Year 4 - \$ 5,800

Year 5 - \$ 0

.. Regions - Local Currency (LE)

Same as Basic Design

Year 1 - LE 65,000

Years 2-5 - LE 0

.. Regions - Foreign Currency (\$)

Same as in Basic Design

Year 1 - \$16,250

Years 2-5 - \$0

.. Foreign Offices - Local Currency (LE)

Not applicable; Foreign Offices' furnishings are estimated under the foreign currency account.

.. Foreign Offices - Foreign Currency (\$)

Assumed 100 square meters Type I for which furnishings are estimated at \$20,000. Furnishings for Foreign Offices are assumed to be 1.5 times LE equivalent of Regional Offices, plus 25% for landscape furnishings. Thus,

Total cost =  $20,000 \times 1.4 \times 1.5 + .25 \times 20,000 = \$47,000$  per Foreign Office

Year 1 - 3 Foreign Offices - \$141,000  
Year 2 - 4 Foreign Offices - \$188,000  
Year 3 - 5 Foreign Offices - \$235,000  
Year 4 - 6 Foreign Offices - \$282,000  
Year 5 - 0 Foreign Offices - \$0

b. Office Equipment

Office equipment cost estimates reflect costs for typewriters, dictating equipment and word processors. Capital costs are in foreign currency, operating costs in local currency.

(1) Typewriters

(a) Units and Costs

Costs and requirements for office equipment have been assumed to be as follows:

\$1,000 each purchase

Cairo and Regional Offices: LE 100 per year maintenance per typewriter

Foreign Offices: \$100 per year maintenance per typewriter

(b) Requirements

● Basic Design

.. Cairo and Regional Offices

Year 1 - 15 new purchased; 15 typewriters total operating

Year 2 - 2 new purchased; 17 typewriters total operating

Year 3 - 2 new purchased; 19 typewriters total operating

Year 4 - 1 new purchased; 20 typewriters total operating

Year 5 - 0 new purchased; 20 typewriters total operating

● Comprehensive Design

.. Cairo and Regional Offices:

Year 1 - 25 new purchased; 25 typewriters total operating  
Year 2 - 5 new purchased; 30 typewriters total operating  
Year 3 - 5 new purchased; 35 typewriters total operating  
Year 4 - 5 new purchased; 40 typewriters total operating  
Year 5 - 0 new purchased; 40 typewriters total operating

.. Foreign Offices

Year 1 - 6 new purchased; 6 typewriters total operating  
Year 2 - 2 new purchased; 8 typewriters total operating  
Year 3 - 2 new purchased; 10 typewriters total operating  
Year 4 - 2 new purchased; 12 typewriters total operating  
Year 5 - 0 new purchased; 12 typewriters total operating

(2) Word Processors

(a) Units and Costs

Costs and requirements for office equipment have been assumed to be as follows:

\$6,000 each purchase

Cairo and Regional Offices: LE 500 per year maintenance cost per system

None installed in Foreign Offices

(b) Requirements

• Basic Design

.. Cairo and Regional Offices

Years 1-2 - 0 new purchased; 0 word processors total operating

Year 3 - 1 new purchased; 1 word processor total operating

Years 4-5 - 0 new purchased; 1 word processors total operating

• Comprehensive Design

.. Cairo and Regional Offices

Year 1 - 1 new purchased; 1 word processors total operating

Year 2 - 1 new purchased; 2 word processors total operating

Year 3 - 0 new purchased; 2 word processors total operating  
Year 4 - 1 new purchased; 3 word processors total operating  
Year 5 - 0 new purchased; 3 word processors total operating

(3) Dictating Equipment

(a) Units and Costs

\$200 each dictating machine purchase  
\$400 each transcriber purchase  
Two dictating machines per transcriber  
\$400 each dictating machine-transcriber combination unit  
No maintenance cost

(b) Requirements

● Basic Design

Year 1 - 12 new purchased; 12 dictating equipment total operating  
Year 2 - 3 new purchased; 15 dictating equipment total operating  
Year 3 - 5 new purchased; 20 dictating equipment total operating  
Year 4 - 5 new purchased; 25 dictating equipment total operating  
Year 5 - 0 new purchased; 25 dictating equipment total operating

● Comprehensive Design

Year 1 - 25 new purchased; 25 dictating equipment total operating  
Year 2 - 10 new purchased; 35 dictating equipment total operating  
Year 3 - 10 new purchased; 45 dictating equipment total operating  
Year 4 - 10 new purchased; 55 dictating equipment total operating  
Year 5 - 10 new purchased; 65 dictating equipment total operating

c. Data Processing Equipment

Data processing equipment cost estimates reflect costs for computers, terminals and storage devices. It is assumed that mini-computers or micro-computers ranging in cost from \$10,000 to \$50,000 would be installed at the IIC. These computers in addition to their data processing capability would act as input-output devices to communicate with large networks such as CAPMAS or EURONET or General Electric Network. Networks provide large scale computation and storage capability.

Data terminals are devices with no data processing capability which can be used to access large computers for data processing and library search purposes.

Storage devices are special information storage equipment such as microfiche and card files used for data processing or library information storage.

Costs for data processing equipment are assumed to be the same for both alternative designs. Purchase of equipment is accounted as capital costs requiring foreign exchange. Maintenance is accounted under local currency. Service charges for computer uses are accounted under both foreign and local currencies depending on the origin of the service. These costs are assumed to be as follows:

(1) Computers

(a) Units and Costs

\$30,000 each system purchase  
LE 3,000 maintenance cost per system per year  
\$40,000 per year network user charges per system  
LE 10,000 per year network user charges per system

(b) Requirements

Year 1 - 1 new purchased - 1 computer system total  
installed and operating  
Years 2-5 - 0 new purchased - 1 computer system total  
installed and operating

(2) Data Terminals

(a) Units and Costs

\$5,000 each terminal purchase  
LE 500 maintenance cost per year per terminal  
\$5,000 per year user charges per terminal  
LE 5,000 per year user charges per terminal

(b) Requirements

Year 1 - 1 new purchased; 1 terminal total installed and  
operating  
Year 2 - 1 new purchased; 2 terminals total installed and  
operating  
Year 3 - 1 new purchased; 3 terminals total installed and  
operating  
Years 4-5 - 0 new purchased; 3 terminals total installed and  
operating

(3) Information Storage Devices

(a) Units and Costs

\$5,000 each unit purchase

(b) Requirements

Year 1 - 2 new purchased - 2 units total; installed and operating  
Year 2 - 1 new purchased - 3 units total; installed and operating  
Year 3 - 1 new purchased - 4 units total; installed and operating  
Years 4-5 - 0 new purchased - 4 units total; installed and operating

d. Transportation Equipment

Transportation equipment cost estimates reflect costs for automobile purchases and leasing. Vehicle purchases are assumed for Cairo and the Regional Offices and leases for Foreign Offices. Purchases and leasing are accounted in foreign currency; maintenance and operation in local currency.

(1) Units and Costs

Units and costs for transportation equipment have been assumed to be as follows:

Car purchase: \$8,000 each vehicle purchase

LE 500 maintenance per year per vehicle

LE 1,500 per vehicle operating cost per year  
(includes driver)

Car leasing: \$1,800 per year, each vehicle leased

\$2,000 operating cost per year (self  
drive) per vehicle

(2) Requirements

• Basic Design

Year 1 - 5 new purchased; 5 cars total operating

Year 2 - 0 new purchased; 5 cars total operating

Year 3 - 1 new purchased; 6 cars total operating

Years 4-5 - 0 new purchased; 6 cars total operating

- Comprehensive Design

- .. Cairo and Regional Offices

- Year 1 - 7 new purchased; 7 cars total operating
    - Year 2 - 1 new purchased; 8 cars total operating
    - Year 3 - 1 new purchased; 9 cars total operating
    - Year 4 - 1 new purchased; 10 cars total operating
    - Year 5 - 0 new purchased; 10 cars total operating

- .. Foreign Offices

- Year 1 - 3 new leased; 3 cars total operating
    - Year 2 - 1 new leased; 4 cars total operating
    - Year 3 - 1 new leased; 5 cars total operating
    - Year 4 - 1 new leased; 6 cars total operating
    - Year 5 - 0 new leased; 6 cars total operating

- e. Reproduction Equipment

Reproduction equipment cost estimates reflect costs for copiers such as Xerox, Savin, IBM and others. Equipment purchases are assumed for Cairo and the Regional Offices and leases for Foreign Offices. Copier purchases are accounted under foreign currency; maintenance and operations under local currency.

- (1) Units and Costs

- Costs for reproduction equipment have been assumed to be as follows:

- Small Copier; purchase: \$6,000 each purchase

- LE 500 per year maintenance

- lease: \$3,000 per year

- Large Copier; purchase: \$25,000 each purchase

- LE 1,500 per year maintenance

- lease: \$12,000 per year

- (2) Requirements

- Basic Design

- Year 1 - 5 new small copier purchases; 5 small copiers total operating

- Year 2 - 0 new small copier purchases; 5 small copiers total operating

- Year 3 - 1 new large copier purchase ; 5 small, 1 large copiers total operating

- Years 4-5 - 0 new copier purchase; 5 small, 1 large copiers total operating

• Comprehensive Design

.. Cairo and Regional Offices

Year 1 - 6 new small copier purchases; 6 small copiers total  
operating  
Year 2 - 1 new small copier purchase; 6 small copiers total  
operating  
Year 3 - 1 new large copier purchase; 6 small, 1 large copier  
total operating  
Years 4-5 - 0 new copier purchases; 6 small, 1 large copier  
total operating

Foreign Offices

1 small copier leased for each Foreign Office

Year 1 - 3 new small copier leases; 3 small copiers total  
operating  
Year 2 - 1 new small copier lease; 4 small copiers total  
operating  
Year 3 - 1 new small copier lease; 5 small copiers total  
operating  
Year 4 - 1 new small copier lease; 6 small copiers total  
operating  
Year 5 - 0 new small copier lease; 6 small copiers total  
operating

f. Communications Equipment

Communications equipment costs reflect cost estimates for telephone and telex installation and operation. Telephone installation and operation costs for Cairo and Regional Offices are accounted in local currency; for Foreign Offices they are accounted in foreign currency. The costs of international communications are in foreign currency. Telex installation costs are in foreign currency, maintenance and operation costs for Cairo and Regional Offices in local currency, but for Foreign Offices they are in foreign currency.

(1) Telephone

(a) Units and Costs

Costs for telephone equipment installation and operation have been assumed to be as follows:

- Cairo and Regional Offices  
Installation: LE 100 per line  
Operation: LE 30 per phone per year  
International communications: \$20 per communication unit
- Foreign Offices  
Installation: None  
Operation: \$100 per phone per year  
International communications: \$20 per communication unit

(b) Requirements

• Basic Design

.. Cairo and Regional Offices

Lines

Year 1 - 10 new installations; 10 lines total installed  
Year 2 - 0 new installations; 10 lines total installed  
Year 3 - 5 new installations; 15 lines total installed  
Years 4-5 - 0 new installations; 15 lines total installed

Phones

Years 1-2 - 50 phones total operating  
Years 3-5 - 75 phones total operating

International communications

Years 1-2 - 500 units total user charges  
Years 3-5 - 750 units total user charges

• Comprehensive Design

Cairo and Regional Offices

Lines

Year 1 - 15 new installations; 15 lines total installed  
Year 2 - 0 new installations; 15 lines total installed  
Year 3 - 5 new installations; 20 lines total installed  
Year 4 - 5 new installations; 25 lines total installed  
Year 5 - 0 new installations; 25 lines total installed

Phones

Years 1-2 - 100 phones total operating  
Years 3-5 - 130 phones total operating

International Communications

Years 1-2 - 1000 units total user charges  
Years 3-5 - 2000 units total user charges

.. Foreign Offices

5 phones per Foreign Office

500 international communication units per Foreign Office

Year 1 - 15 phones total operating;  
1500 international communication units total  
Year 2 - 20 phones total operating;  
2000 international communication units total  
Year 3 - 25 phones total operating;  
2500 international communication units total  
Year 4 - 30 phones total operating;  
3000 international communication units total  
Year 5 - 30 phones total operating;  
3000 international communication units total

(2) Telex

(a) Units and Costs

Costs for telex equipment installation and operation have been assumed to be as follows:

• Cairo and Regional Offices

Installation: \$2,000 per machine

Operation: LE 500 per machine per year

International communications: \$20 per communication unit

• Foreign Offices

Installation: None

Operation: \$1,500 per machine per year

International communications: \$20 per communication unit

(b) Requirements

• Basic Design

.. Cairo and Regional Offices

Machines

Year 1 - 5 new installed; 5 machines total operating  
Years 2-5 - 0 new installed; 5 machines total operating

International Communications

Years 1-2 - 500 units total user charges  
Years 3-5 - 750 units total user charges

Comprehensive Design

Cairo and Regional Offices

Machines

Year 1 - 5 new installed; 5 machines total operating  
Year 2 - 0 new installed; 5 machines total operating  
Year 3 - 1 new installed; 6 machines total operating  
Years 4-5 - 0 new installed; 6 machines total operating

International communications

Years 1-2 - 500 units total user charges  
Years 3-5 - 1000 units total user charges

Foreign Offices

1 machine per Foreign Office

500 international communication units per Foreign Office

Year 1 - 3 machines total operating;  
1500 international communication units total  
Year 2 - 4 machines total operating;  
2000 international communication units total  
Year 3 - 5 machines total operating;  
2500 international communication units total  
Year 4 - 6 machines total operating;  
3000 international communication units total  
Year 5 - 6 machines total operating;  
3000 international communication units total

g. Supplies

Supplies cost estimates reflect costs for mail service, library collection, publications, and miscellaneous items such as paper, pencils and other supplies necessary for the operation of the IIC.

Supplies for the Cairo and Regional Offices are accounted in local currency. The library collection is accounted under both foreign and local currencies. Supplies for the Foreign Offices are accounted in foreign currency. Costs for supplies have been assumed to be as follows:

Mail: LE 35 per person per year (Cairo and Regional Offices)

\$50 per person per year (Foreign Offices)

Library: \$45,000 and LE 5,000 initial collection (Year 1)

\$15,000 and LE 1,500 annual collection (Years 2-5)

Publications: LE 500 per person per year

Miscellaneous: LE 50 per person (Cairo and Regional Offices)

\$70 per person (Foreign Offices)

Requirements for supplies are in accordance with the staffing requirements indicated for personnel expenditures.

#### h. Training

Cost estimates for training reflect costs of training activities such as participation in courses domestically or abroad. Training costs include travel to and from the training location and living accommodations if necessary. All costs are accounted in foreign currency since all training may be funded with foreign development aid funds.

##### (1) Units and Costs

Costs for training have been assumed to be as follows:

Four types of training units are considered (see Appendix VII, Training):

Type I - Domestic Preparatory; \$125 per person per session  
(English, Communication, Data Processing, etc.)

Type II - Domestic Intensive; \$1,200 per person per session  
(English, Marketing, Promotion, Data Processing, etc.)

Type III - Short Term Overseas; \$7,500 per person per session  
(Project Information, Promotion, etc.)

Type IV - Long Term Overseas; \$20,000 per person per program  
(Degree program)

##### (2) Requirements

The tables below show the estimated training units (person-session) required under the alternative designs. Sessions vary in length from 2-3 weeks for Type I training to 18-24 months for Type IV training. A person-session unit reflects the number of persons times the number of sessions in training status. (It is a unit similar in concept to work man-hours). For example, 20 units of training may imply one person attending 20 sessions separately, or 20 people attending one session, or 10 people each attending 2 sessions, or any other combination of person and session yielding 20 units.

- Basic Design

| Year | Type I | Type II | Type III | Type IV |
|------|--------|---------|----------|---------|
| 0    | 20     | 6       | 0        | 0       |
| 1    | 25     | 15      | 10       | 2       |
| 2    | 25     | 15      | 10       | 2       |
| 3    | 20     | 10      | 7        | 2       |
| 4    | 20     | 10      | 7        | 2       |
| 5    | 20     | 10      | 7        | 2       |

- Comprehensive Design

| Year | Type I | Type II | Type III | Type IV |
|------|--------|---------|----------|---------|
| 0    | 20     | 10      | 0        | 0       |
| 1    | 50     | 30      | 30       | 7       |
| 2    | 55     | 30      | 25       | 7       |
| 3    | 50     | 25      | 20       | 7       |
| 4    | 45     | 25      | 20       | 7       |
| 5    | 45     | 25      | 20       | 7       |

i. Travel

Cost estimates for travel reflect travel requirements and include costs of transportation and subsistence domestically or abroad. Costs are accounted in both domestic and foreign currencies.

(1) Units and Costs

Costs for travel have been assumed to be as follows:

Four types of travel units are considered:

Type I - Domestic Short Term; LE 60 per person per trip  
(1 day, local transportation)

Type II - Domestic Long Term; LE 2,500 per person per trip  
(5 days, long distance transportation)

Type III - Short Term Overseas; \$1,500 per person per trip  
(5 days, air transportation)

Type IV - Long Term Overseas; \$2,500 per person per trip  
(10 days, air transportation)

(2) Requirements

The tables below show the estimated travel units (person-trips) under the alternative designs. A person-trip unit reflects the number of persons times the number of trips in travel status. (It is a unit similar in concept to work man-hours or training person-sessions).

- Basic Design

| Year | Type I | Type II | Type III | Type IV |
|------|--------|---------|----------|---------|
| 0    | 50     | 25      | 0        | 0       |
| 1    | 200    | 50      | 15       | 2       |
| 2    | 350    | 50      | 15       | 2       |
| 3    | 400    | 75      | 15       | 2       |
| 4    | 450    | 75      | 15       | 2       |
| 5    | 450    | 75      | 15       | 2       |

- Comprehensive Design

| Year | Type I | Type II | Type III | Type IV |
|------|--------|---------|----------|---------|
| 0    | 50     | 25      | 6        | 0       |
| 1    | 350    | 125     | 50       | 22      |
| 2    | 450    | 125     | 50       | 22      |
| 3    | 575    | 175     | 65       | 27      |
| 4    | 650    | 175     | 65       | 32      |
| 5    | 650    | 175     | 65       | 32      |

j. Contract Services

Cost estimates for contract services reflect requirements for consulting, data processing, and advertising services. These services provide management support for the IIC. Consulting services include services for planning, architectural design, administrative support, staff extension, specific technical assistance, studies, educational services other than training such as organizing seminars and other support activities. Data processing services include systems analysis, programming, key punching and other support services. Advertising services include fees for advertising media campaign, public relations services, marketing designs and other communications services and technical assistance. Costs are accounted in both domestic and foreign currencies -- 80% of expenditures are assumed to be in foreign currency and 20% in local currency. Costs for contract services have been assumed to be as follows:

- Basic Design

Development Phase (Year 0)

Consulting Services: \$600,000; LE 60,000

Data Processing Services: \$100,000; LE 10,000

Operations Phase (Years 1-5)

\$30,000 per person (all IIC)

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Distribution of Expenditures

| Year | Consulting | Data Processing | Total |
|------|------------|-----------------|-------|
| 1    | 75%        | 25%             | 100%  |
| 2    | 70%        | 30%             | 100%  |
| 3    | 60%        | 40%             | 100%  |
| 4    | 55%        | 45%             | 100%  |
| 5    | 55%        | 45%             | 100%  |

• Comprehensive Design

Development Phase (Year 0)

Consulting Services: \$250,000; LE 75,000

Data Processing Services: \$100,000; LE 10,000

Operations Phase (Years 1-5)

\$20,000 per person (all IIC)

Distribution of Expenditures

| Year | Consulting | Data Processing | Advertising | Total |
|------|------------|-----------------|-------------|-------|
| 1    | 70%        | 20%             | 10%         | 100%  |
| 2    | 60%        | 25%             | 15%         | 100%  |
| 3    | 55%        | 25%             | 20%         | 100%  |
| 4    | 45%        | 25%             | 30%         | 100%  |
| 5    | 30%        | 30%             | 40%         | 100%  |

7.15

APPENDIX X

TIME-PHASED DEVELOPMENT PLAN

APPENDIX X

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APPENDIX X

TIME-PHASED DEVELOPMENT PLAN

A. INTRODUCTION

In this Appendix we describe in sequence the steps which must be taken to bring the proposed Investment Information Center into being, either in the Basic Design Alternative or in the Comprehensive Design Alternative.

B. BASIC DESIGN ALTERNATIVE - TIME-PHASED DEVELOPMENT

Implementation would be divided into two time phases: Phase One - Development (six months) and Phase Two - Operations. The steps outlined below focus mainly on the Development Phase and the beginning of the Operations Phase.

1. Development Phase

As soon as a decision is made to proceed with this alternative and necessary decrees enabling the establishment of the IIC have been issued, work should commence to develop the IIC as expeditiously as possible. The steps described below could be completed in a six-month period at the end of which sufficient personnel, facilities, and programs could be in place to begin operating the IIC.

a. Organization and Staffing

(1) Appoint an IIC Development Director to be in charge of the Development Phase

This person would work with a small staff, consultants and the Authority on: recruiting initial IIC staff; developing work programs for the various units of the IIC; selecting and organizing the offices in Cairo and the designated regions; and preparing a budget for the operating phase. The Development Director should be a senior staff member of the Authority and may or may not become the IIC Director.

(2) Assign a small working staff to the Development Director--one Senior Professional, one Junior Professional, one Support Staff

These individuals would work with the Development Director and the consultants in setting up the IIC. They too should be drawn from the Authority.

(3) Engage consultants to assist in the Development Phase and during the early months of the Operations Phase

The consultants should assist not only in planning and training but in undertaking certain tasks until such time that qualified staff can be found or trained. Consultants or other outside contractors may also be engaged to undertake certain tasks for which it would not be practical to hire full-time staff, such as preparing certain promotional material or computer systems design.

- (4) Establish job specifications and salaries, based on the recommendations made in this report and recruit initial staff

The positions may be filled from both existing Authority staff and outside sources. A committee should be appointed to approve all recruitments. All efforts should be made to fill the positions with the highest calibre personnel possible.

- (5) Identify training programs for the initial staff and initiate training programs

- (6) Review and refine staffing plans for subsequent years

b. Program Development

- (1) Prepare program and compile material for Inquiry Services

- Collect or gain access to and review required information inputs from other departments of the Investment Authority or from outside sources based on the guidelines suggested in the Priority Information Plan Report;
- Assess initial needs for inquiry services materials (brochures, pamphlets, application forms, investor guides, etc.) and compile required materials;
- Organize operational reporting and evaluation system for Inquiry Services.

- (2) Prepare program for Library Services and begin establishing library

- Determine the specific level and types of library services required by investors;
- Determine an appropriate mix of books, reports, newspaper and periodical subscriptions, pamphlets, and other materials to make up the library's collection;
- Determine required library furnishings for the level and type of service decided upon, including periodical displays, files, shelving, tables, chairs, and desks;
- Develop scheduling priorities for the purchase of the desired collection of materials;
- Purchase a core collection of books on 15-20 detailed subjects which have a key relationship to the Authority's mandate and operations;
- Develop and plan the implementation of five library support systems--cataloging, circulation, acquisitions, reporting, and new service development;
- Implement two of the systems--cataloging and circulation;

- Implement additional three systems and finalize the library's collection (to be accomplished during the first six months of actual operations).

(3) Prepare program and begin developing data for Data Services

- Collect required information inputs from other departments of the Investment Authority and from outside sources based on the guidelines suggested in the Priority Information Plan Report;
- Estimate specific potential information requirements of investors during the first year of the IIC's operation (including discrete data outputs and short internal reports);
- Organize storage and retrieval systems (mechanical and computerized) for collected data;
- Develop computer system configuration, arrange for computer purchase or for access to computer networks;
- Organize operational reporting and evaluation system for Data Services.

(4) Prepare program for Regional Offices

- Assess likely demand for Regional Office services by domestic investors in each of Egypt's governorates;
- Make final decision on location of Regional Offices;
- Rent space and acquire physical furnishings and equipment;
- Assess likely demand by domestic investors for specific types of information in each of the Regional Offices;
- Collect and review information inputs required for each Regional Office based on the guidelines suggested in the Priority Information Plan;
- Estimate requirements for promotional and facilitative materials in each Regional Office;
- Plan and schedule an appropriate mix of educational, promotional and facilitative activities (seminars, briefings, dissemination of promotional materials, etc.);
- Establish operational reporting and evaluation systems for each Regional Office.

c. Physical Facilities Preparation

(1) Establish a site location working committee for finalizing the location decision

This committee should be headed up by the Development Director and have outside technical advisors. The committee should review

available space locations and identify specific suitable office locations for review by the Board, based on the layouts described in this report.

In evaluating what to do about space needs, the following criteria should be kept in mind:

- The IIC should not be physically separated from the Authority since its activities would be an integral part of the Authority's day-to-day operations;
- The physical facilities should be of the highest quality and receive proper maintenance in order to create the best possible impression for potential investors;
- The space chosen for the IIC should be expandable and flexible.

The recommended course of action for the Cairo office is to renovate one floor of the 8 Adly Street building. The first floor space is preferred because of the high ceilings and direct connections to the ground floor, but modifications to one of the upper floors could be considered if the first floor is not available. Other locational considerations are developed in Appendix VIII. The committee should also select sites for the Regional Offices.

(2) Review available choices for location and reach a decision

Based on the work of the site selection committee, the Board would review the available choices and decide on the final sites for the IIC Cairo office as well as the Regional Offices.

(3) Prepare final layout of space for the preferred locations

Based on the Board's decision regarding locations of the IIC (headquarters and Regional Offices), final space layouts should be prepared. A decision could be made at this stage as to the type and quantity of furnishings required. Final floor plans would be prepared.

(4) Develop a schedule for renovation and/or move to the new location

During this step a detailed schedule should be prepared for the renovation of the actual space and the sequence of activities to accomplish the move. This will be a critical step in the process, particularly if it is decided to occupy space at 8 Adly Street and to

relocate one of the other Authority functions. The product of this task would be the preparation of a "critical path" to accomplish the move.

(5) Develop and approve the budget for setting up the Cairo and Regional Offices

As a result of the steps above, a bill of quantities for specific furnishings and equipment can be prepared. Long lead time items can be scheduled and the appropriations for these items can be made through the Ministry or other foreign aid sources.

(6) Prepare the Cairo and Regional Offices and purchase equipment and furnishings necessary to support initial operations of the IIC

d. Budget Elaboration

Elaborate and refine the budget based on the results of the above described steps.

2. Operations Phase

At the end of the six-month Development Phase the IIC should be sufficiently developed to begin operating along the lines described earlier. The steps outlined below identify actions that should be carried out on an ongoing basis once the IIC is operating.

a. Organization and Staffing

(1) Review and revise estimated staffing requirements contained within this report

The revisions should be based on actual operational experience at the end of each operating year for the IIC.

(2) Identify, interview, and recruit additional personnel as required for each of the two IIC departments

(3) Review, refine, and/or elaborate on training programs for personnel

These refinements should be based on personnel performance during each year of the IIC's operations and estimated programmatic requirements during succeeding years.

b. Program Revision and Elaboration

- (1) Implement programs as developed during the program Development Phase prior to commencing IIC operations
- (2) Monitor on a continuous basis and assess annually programmatic performance

Such monitoring and assessment should include the degree to which each individual staff member contributes in a demonstrable manner to the achievement of programmatic objectives, the efficiency with which programs are being implemented, and the positive or negative response of those to whom programs are being directed (primarily potential or actual investors receiving services of various kinds from the IIC).

- (3) Review and assess changes in Information Services needs and requirements of investors on an annual basis
- (4) Refine and elaborate plans for future programs

These modifications should be based on the assessment of current programs and shifts in investor needs and requirements. Such review and elaboration should be conducted on at least an annual basis. New programmatic targets should be established for the following year and an appropriate mix of activities decided upon for attaining those programmatic objectives.

c. Physical Facilities and Equipment Preparation and Management

- (1) Install equipment
- (2) Continue furnishing offices according to schedule
- (3) Maintain equipment

C. COMPREHENSIVE DESIGN ALTERNATIVE - TIME-PHASED DEVELOPMENT

Implementation would be divided into two time phases: Phase One - Development (six months) and Phase Two - Operations. The steps outlined below focus mainly on the Development Phase and the beginning of the Operations Phase.

1. Development Phase

As soon as a decision is made to proceed with this alternative and necessary decrees enabling the establishment of the IIC have been issued, work should commence to develop the IIC as expeditiously as possible. The steps described below could be completed in a six-month period at the end of which sufficient personnel, facilities, and programs could be in place to begin operating the IIC.

a. Organization and Staffing

(1) Appoint an IIC Development Director to be in charge of the Development Phase

This person would work with a small staff, consultants and the Authority on: recruiting initial IIC staff; developing work programs for the various units of the IIC; selecting and organizing the offices in Cairo and the designated regions; and preparing a budget for the operating phase. The Development Director should be a senior staff member of the Authority and may or may not become the IIC Director.

(2) Assign a small working staff to the Development Director--one Senior Professional, one Junior Professional, one Support Staff

These individuals would work with the Development Director and the consultants in setting up the IIC. They too should be drawn from the Authority.

(3) Engage consultants to assist in the Development Phase and during the early months of the Operations Phase

The consultants should assist not only in planning and training but in undertaking certain tasks until such time that qualified staff can be found or trained. Consultants or other outside contractors may also be engaged to undertake certain tasks for which it would not

be practical to hire full-time staff, such as preparing certain promotional material or computer systems design.

- (4) Establish job specifications and salaries, based on the recommendations made in this report and recruit initial staff

The positions may be filled from both existing Authority staff and outside sources. A committee should be appointed to approve all recruitments. All efforts should be made to fill the position with the highest calibre personnel possible.

- (5) Identify training programs for the initial staff and initiate training programs

- (6) Review and refine staffing plans for subsequent years

b. Program Development

- (1) Prepare program and compile material for Information Services

• Inquiry Services

- .. Collect or gain access to and review required information inputs from other departments of the Investment Authority or from outside sources based on the guidelines suggested in the Priority Information Plan Report,
- .. Assess initial needs for inquiry service materials (brochures, pamphlets, application forms, investor guides, etc.) and compile required materials,
- .. Organize operational reporting and evaluation system for Inquiry Services.

• Library Services

- .. Determine the specific level and types of library services required by investors,
- .. Determine an appropriate mix of books, reports, newspaper and periodical subscriptions, pamphlets, and other materials to make up the library's collection,
- .. Determine required library furnishings for the level and type of service decided upon, including periodical displays, files, shelving, tables, chairs, and desks,
- .. Develop scheduling priorities for the purchase of the desired collection of materials,
- .. Purchase a core collection of books on 15-20 detailed subjects which have a key relationship to the Authority's mandate and operations,
- .. Develop and plan the implementation of five library support systems--cataloging, circulation, acquisitions, reporting, and new service development,
- .. Implement two of the systems--cataloging and circulation,

- .. Implement additional three systems and finalize the library's collection (to be accomplished during the first six months of actual operations).

Data Services

- .. Collect required information inputs from other departments of the Investment Authority and from outside sources based on the guidelines suggested in the Priority Information Plan Report,
- .. Estimate specific potential information requirements of investors during the first year of the IIC's operation (including discrete data outputs and short internal reports),
- .. Organize storage and retrieval systems (mechanical and computerized) for collected data,
- .. Organize operational reporting and evaluation system for Data Services.

(2) Prepare program and compile material for Promotion

- Plan and develop marketing strategies and programs
  - .. Develop a statement of general promotional goals and objectives based on investment priorities established by the Research, Evaluation and Promotion Division,
  - .. Analyze the national sourcing of investment projects and estimate the demand potential of various foreign investor markets,
  - .. Identify initial specific promotional targets and objectives in different foreign investor markets and in the domestic Egyptian market,
  - .. Allocate marketing resources (budget, staff, materials) in line with identified promotional objectives,
  - .. Commission market research to determine prospective investors' interests and investment requirements,
  - .. Decide on an appropriate initial mix of promotional techniques and approaches for each investor market.
- Begin planning, design, and production of promotional materials, including
  - .. Consult with senior marketing personnel and outside consultants concerning promotional materials needed,
  - .. Collect information from within and without the Investment Authority suitable for inclusion in promotional materials,
  - .. Commission design and production of various promotional materials for use in the first year of operation of the IIC,

Establish operational reporting and evaluation system for promotional activities.

(3) Prepare program and compile material for Investor Services

- Collect and/or gain access to and review required information inputs from other departments of the Investment Authority and from outside sources based on the guidelines suggested in the Priority Information Plan Report;
- Estimate the likely demand for various types of Investor Services activities during the initial year of the IIC's operation;
- Plan and allocate responsibility for providing those services to investors;
- Improve and expand upon liaison relationships with other government ministries;
- Begin establishment of relationships with key public and private sector bodies to permit facilitation of special needs of investors;
- Establish operational reporting and evaluation system for Investor Services

(4) Prepare program for Regional Offices

- Assess likely demand for Regional Office services by domestic investors in each of Egypt's governorates;
- Make final decision on location of Regional Offices;
- Rent space and acquire physical furnishings and equipment;
- Assess likely demand by domestic investors for specific types of information in each of the Regional Offices;
- Collect and review information inputs required for each Regional Office based on the guidelines suggested in the Priority Information Plan;
- Estimate requirements for promotional and facilitative materials in each Regional Office;
- Plan and schedule an appropriate mix of promotional and facilitative activities (seminars, briefings, dissemination of promotional materials, etc.);
- Establish operational reporting and evaluation systems for each Regional Office.

(5) Prepare program for Foreign Offices

- Decide on locations for initial International Offices based on the demand potential of various foreign investor markets;
- Plan allocation of budget, staff, and materials to each foreign Office in accord with overall marketing strategy and marketing strategies for each foreign investor market;

- Rent space and acquire physical furnishings and equipment (telex, xerox, etc.);
- Estimate likely demand for specific types of information and/or promotional materials based on planned marketing mix of promotional techniques and approaches for each investor market.
- Distribute required materials and information to each Foreign Office.

c. Physical Facilities Preparation

(1) Establish a site selection working committee for finalizing the location decision

This committee should be headed up by the Development Director and have outside technical advisors. The committee should review available space locations and identify specific suitable office locations for review by the Board, based on the layouts described in this report. Since this design for the IIC requires considerably more space than the Basic Design, the challenge of finding a suitable site that meets the criteria set forth above is greater. It should be noted, however, that under this alternative a number of activities currently being performed by the Authority (e.g. promotion and some investor services) would be transferred to the IIC and thereby reduce the space requirements of the rest of the Authority. Thus, it may be possible to explore using the current site of the Authority as an interim location until such time when the entire Authority moves to a new site. As in the Basic Design, if the IIC under the Comprehensive Design is to be located in the present headquarters, the recommended course of action is to renovate the first floor at 8 Adly Street. Additional space may be made available through the shift of units into the IIC and the possibility of moving some other functions of the Authority out of the current headquarters. These and other options should be explored by the committee.

(2) Review available choices for locations and reach a decision

Based on the work of the site selection committee, the Board would review the available choices and decide on the final sites for the IIC main office as well as the Regional Offices.

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(3) In the event that a decision is made to relocate the entire Authority, a rough space program would have to be developed for all functions so that the search for space can consider the entire needs of the Authority

(4) Prepare final layout of space for the preferred locations

Based on the Board's decision regarding locations of the IIC (headquarters, International and Regional Offices), final space layouts should be prepared. A decision could be made at this stage as to the type and quantity of furnishings required. Final floor plans would be prepared.

(5) Develop a schedule for renovation and/or move to the new location

During this step a detailed schedule should be prepared for the renovation of the actual space and the sequence of activities to accomplish the move. This will be a critical step in the process, particularly if it is decided to occupy space at 8 Adly Street and to relocate one of the other Authority functions. The product of this task would be the preparation of a "critical path" to accomplish the move.

(6) Develop and approve the budget for setting up the Cairo and Regional Offices

As a result of the steps above, a bill of quantities for specific furnishings and equipment can be prepared. Long lead time items can be scheduled and the appropriations for these items can be made through the Ministry or other foreign aid sources.

(7) Prepare the Cairo and Regional Offices and purchase equipment and furnishings necessary to support initial operations of the IIC

d. Budget Elaboration

Elaborate and refine the budget based on the results of the above described steps.

2. Operations Phase

At the end of the six-month Development Phase the IIC should be sufficiently developed to begin operating along the lines described earlier.

The steps outlined below identify actions that should be carried out on an ongoing basis once the IIC is operating.

a. Organization and Staffing

- (1) Review and revise estimated staffing requirements contained within this report

The revisions should be based on actual operational experience at the end of each operating year for the IIC.

- (2) Identify, interview, and recruit additional personnel as required for each of the IIC departments
- (3) Review, refine, and/or elaborate on training programs for personnel

These refinements should be based on personnel performance during each year of the IIC's operations and estimated programmatic requirements during succeeding years.

b. Program Revision and Elaboration

- (1) Implement programs as developed during the program development phase prior to commencing IIC operations
- (2) Monitor on a continuous basis and assess annually programmatic performance

Such monitoring and assessment should include the degree to which each individual staff member contributes in a demonstrable manner to the achievement of programmatic objectives, the efficiency with which programs are being implemented, and the positive or negative response of those to whom programs are being directed (primarily potential or actual investors receiving services of various kinds from the IIC).

- (3) Review and assess changes in Promotion and Facilitation needs and requirements of investors on an annual basis
- (4) Review and assess changes in the Information Services needs of investors on at least an annual basis
- (5) Refine and elaborate plans for future programs

These modifications should be based on the assessment of current programs and shifts in investor needs and requirements. Such review

and elaboration should be conducted on at least an annual basis. New programmatic targets should be established for the following year, and an appropriate mix of activities decided upon for attaining those programmatic objectives.

c. Physical Facilities and Equipment Preparation and Management

- (1) Install equipment
- (2) Continue furnishing offices and purchasing other equipment
- (3) Maintain equipment