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وحدة تصميم وتنفيذ السياسات

## APRP - RDI Unit

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# Assessment of the TRANCHE III Formulation Process

*Prepared by*  
**Wilma Gormley**

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### ***Reform Design and Implementation Unit***

*Development Alternatives Inc. Group: Office for Studies & Finance, National Consulting Firm, Development Associates, Cargill Technical Services, The Services Group, Training Resources Group, Purdue University, University of Maryland*

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## RDI Acronyms List

<i>ACRONYM</i>	<i>DESCRIPTION</i>
AC	Agricultural Census
ACDI	Agricultural Cooperative Development Institute
AERI	Agriculture Engineering Research Institute
AHD	Aswan High Dam
AIC	Agricultural and Irrigation Committee of the People's Assembly
ALCOTEXA	Alexandria Cotton Exporters Association
APRP	Agricultural Policy Reform Program
ARC	Agriculture Research Center
ATUT	Agricultural Technology Utilization & Transfer Program
AY	Agricultural Year Locator (October 1 <sup>st</sup> to September 30 <sup>th</sup> of the following year)
BOD	Board of Directors
CAGA	Central Administration for Governorates Affairs
CAPMAS	Central Agency for Public Mobilization & Statistics
CAPQ	Central Administration for Plant Quarantine, MALR
CASC	Central Administration for Seed Certification
CASP	Central Administration for Seed Production
CAWD	Central Administration for Water Distribution
CBE	Central Bank of Egypt
CIDA	Canadian International Development Agency
CIF	Cost, Freight and Insurance
CIPE	Center for International Private Enterprise
CMA	Capital Market Authority
Co.	Company
CODEX	Code of Food Standards developed by an international commission in 1962
COP	Chief of Party
CSPP	Egyptian-German Cotton Sector Promotion Program
CTS	Cargill Technical Services
DA	Development Associates, Inc.
DAI/B	Development Alternatives, Inc./Bethesda
DEPRA	Development Economic Policy Reform Analysis
EAO	Egyptian Agriculture Organization

<i>ACRONYM</i>	<i>DESCRIPTION</i>
EEA	Egyptian Exporters Association/ExpoLink
EEPC	Egyptian Export Promotion Center
ELS	Extra Long Staple Cotton
EMIPAC	Egyptian Marketing Agricultural Company
ERSAP	Economic Reform and Structural Adjustment Program
ESAS	Egyptian Seed Association
ESAs	Employee Shareholder's Association
ESOPs	Employees Stock Ownership Program
EU	European Union
FAO	Food and Agricultural Organization of the United Nations
FDIs	Foreign Direct Investments
Fed.	Feddan = 4200 square meter
FIHC	Food Industries Holding company
FOB	Free on Board
FSR	Food Security Research Unit
FY	Fiscal Year
GA	General Assembly
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GOE	Government of Egypt
GTZ	German Technical Assistance Agency
HC	Holding Company
HEIA	Horticultural Export Improvement Association
IDA	International Development Association
IFC	International Financial Cooperation
IPPC	International Plant Protection Convention
IPO	Initial Public Offering
IIMI	International Irrigation Management Institute
IR	Intermediate Results
ITC	International Trade Center
JETRO	Japan Export Trade Organization
Kg.	Kilogram
Kt.	Kentar

<i>ACRONYM</i>	<i>DESCRIPTION</i>
Libra	Pound of 0.45359 kilogram, also abbreviated as lb.
LE	Egyptian Pound
LK	Lint Kentar of cotton, 50 kgs.
LOE	Level of Effort
LS	Long Staple cotton
MALR	Ministry of Agriculture & Land Reclamation
MENA	Middle East North Africa
MEIC	Ministry of Economy & International Cooperation
MIMW	Ministry of Industry & Mineral Wealth
MT	Metric Ton
MOF	Ministry of Finance
MoTS	Ministry of Trade & Supply
MPE	Ministry of Public Enterprises
MPWWR	Ministry of Public Works & Water Resources
MLS	Medium-Long Staple cotton
MVE	Monitoring, Verification & Evaluation Unit
NARS	National Agriculture Research Center
NBE	National Bank of Egypt
NCF	National Consulting Firm
NFPA	National Food Processor Association
NGO	Non-Governmental Organization
O & M	Operation & Maintenance
OSAF	Office for Studies And Finance
OVR	Office of Variety Testing & Registration
PA	People's Assembly
PBDAC	Principal Bank for Development and Agricultural Credit
PEO	Public Enterprise Office
P&L	Privatization & Liberalization
PIDP	Partnership In Development Project
PMU	Project Management Unit
PPC	Program Planning Committee
PRA	Participatory Rapid Appraisal
PU	Purdue University

<i>ACRONYM</i>	<i>DESCRIPTION</i>
PVP	Plant Variety Protection
RETD	Real Estate Tax Department
RDI	Reform, Design & Implementation Unit
ROW	Rest of the World
SCC	Sugar Crops Council
SCRI	Sugar Crops Research Institute
SIIC	Sugar and Integrated Industries Company
SK	Seed Kentar of cotton (157.5 kgs.)
SPC	Seed Privatization Committee
SS	Short Staple cotton
STTA	Short Term Technical Assistance
SWG	Sugarcane Working Group
TA	Technical Assistance
TAMIS	Technical & Administrative Management Information System
TAT	Technical Assistance Team
TF	Task Forces
TO	Training Officer
TOR	Terms of Reference
TNA	Training Needs Assessment
TRG	Training Resources Group
TSG	The Services Group
UIT	Unified Income Tax
UMD	University of Maryland
USAID	United States Agency for International Development
US\$	United States Dollar
USPMA	U.S. Produce Marketing Association
USDA	U.S. Department of Agriculture
VAT	Value Added Tax
WB	World Bank
WTO	World Trade Organization
WUA	Water User Association

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## I. INTRODUCTION

The purpose of the Agricultural Policy Reform Program (APRP) is to assist the Government of Egypt to design and adopt policies which will result in a market driven and private sector led agricultural economy. APRP works with the Ministry of Agriculture and Land Reclamation (MALR), Ministry of Public Works and Water Resources (MPWWR), Ministry of Trade and Supply (MoTS), the Ministry of Public Enterprises (MPE), and the Ministry of Planning and International Cooperation (MPIC). The disbursement of APRP funds is tied to the Memoranda of Understanding (MOU), annual documents which contain “policy reform benchmarks” in the various reform areas. The annual sets of policy reform benchmarks, known as tranches, are agreed to by both USAID and the Government of Egypt (GOE), and achievement of them constitute the basis for the disbursement of funds. Benchmarks are chosen because they represent the most important reforms needed for privatization and liberalization in agriculture at any given point in time.

The definition and negotiation of the benchmarks are critical to success in the reform process. Under APRP, the technical assistance (TA) teams have provided USAID with benchmarks, background information justifying each benchmark, and verification indicators to judge the GOE performance toward achieving the benchmarks. The process is participatory, requiring many meetings and workshops. While the process has provided satisfactory end results, the process itself has not always gone smoothly.

The purpose of the terms of reference for this consultancy is to conduct an assessment of the benchmark development process and assist the TA teams, USAID, and the GOE to streamline and clarify the process. Objectives of this short-term assignment are to:

- Identify what went well and what could have gone better in the Tranche II and III formulation process and, to the extent possible, in APRP Tranche I and APCP benchmark formulation.
- Recommend ways to improve the process – what could be done differently to make the process go better.
- Plan, prepare, and implement a workshop to consolidate and materialize ideas about improving the benchmark formulation process.

Complete terms of reference are included as an attachment to this report.

This report will present the outcomes for the deliverables: 1) Documentation of assessment themes from interviews with APRP, USAID, and the Program Policy Committee (PPC); 2) Recommendations for process improvement; 3) Presentation of the assessment themes and recommendations; and 4) the outcomes of the Benchmark Formulation Improvement Workshop where these themes and recommendations were reviewed and discussed.

**The report is organized into the following sections:**

- 1st. INTRODUCTION**
- 2nd. ASSESSMENT DATA AND THEMES**
- 3rd. OUTCOMES FROM BENCHMARK FORMULATION  
IMPROVEMENT WORKSHOP**
- 4th. RECOMMENDATIONS FOR IMPROVEMENT**
- 5th. ATTACHMENTS**

**II. ASSESSMENT DATA AND THEMES**

In collecting information needed to assess the benchmark formulation process, interviews were conducted with the staff in the USAID Office of Agricultural Policy, members of the Program Policy Committee (PPC), officials in the Ministry of Agriculture and Land Reclamation (MALR), and staff from the Agricultural Policy Reform Project (APRP). Thirty-three interviews were conducted. A list is contained in an attachment to this report.

Questions were framed to seek information in the following areas:

1. What works well in the benchmark formulation process?
2. Why is this important?
3. What concerns do you have about the benchmark formulation process?
4. What is most important to try to improve?
5. Why is this important?
6. What are the key important lessons learned in formulating benchmarks throughout the life of the agricultural policy reform efforts in Egypt (specifically APCP and Tranches I, II, and III)?

The information collected in these interviews has been organized into these categories:

- 1st. What works well?
- 2nd. What needs improvement?
- 3rd. Key lessons learned in the benchmark formulation process.

The following paragraphs will summarize this information; however, a more complete listing of information collected is contained in the Attachments section of this report.

## **What Works Well**

The interviewees felt a number of things were going very well in the benchmark formulation process.

1. Effective at developing high quality benchmarks. It was felt that the project was able to identify constraints to agricultural reform – studying a sector to see what has been accomplished and what still needs to be accomplished. And, from this analysis, craft a good benchmark. Indicators were included in the MOU in Tranche III for the first time, and this was felt to be an improvement.
2. Effective at working with Ministry officials, counterparts, and implementers. There were many instances cited where project staff worked closely with GOE officials and members of the private sector to gather ideas for and input into benchmarks.
3. Effective at achieving consensus. Participation and consensus were felt to be important values for the benchmark formulation process. Those interviewed felt that the meetings, workshops and conferences held were quite effective in causing discussion and debate that led to consensus.
4. In general, the entire project is going well. Those interviewed were quite positive about the project. They were pleased with the quality of the staff on the technical assistance (TA) teams, with the quality of project management, and with working relationships among the TA teams. The USAID Ag Office team members were seen as sincere defenders of the ag policy agenda within AID.

## **What Needs Improvement**

There were areas in the benchmark formulation process that needed increased attention and improvement.

1. Need to involve government officials and other implementers more fully. It was felt that even though an identified APRP strength was good working relationships with counterparts and implementers, there still remained work to be done to improve. Some thought we needed to have more brainstorming workshops with counterparts and implementers where ideas could be exchanged and further plans developed. Others felt we needed to concentrate more on the areas of reform the GOE wanted to tackle, and that we ought not to devote resources in places where the government was not ready to move more aggressively. Some felt that too often the expatriate TA staff developed many of the ideas for benchmarks without

enough consultation with counterparts and implementers. It was acknowledged that while it was easier to work in some ministries than others, extra efforts were needed to form stronger relationships within all the ministries in which APRP works. It was suggested that the project use the government's new five-year plan as a way to identify benchmark topics.

2. Need benchmarks that will help institutionalize policy reform and keep ministries working together to facilitate reform. Those interviewed felt it was important to have benchmarks that help ministries institutionalize the policy reform process so that reform would continue when USAID resources were no longer available. It was also felt that there should be more benchmarks requiring ministries to work together to achieve the benchmark.
3. Need to be more purposeful about using the APRP policy framework. USAID wants the project to be more explicit about using the policy framework to help focus the identification of benchmarks and to communicate the importance of the benchmarks themselves.
4. Need to develop vision statements for subsectors before developing benchmarks. Most felt there needed to be more vision behind the benchmarks, that these vision statements could clarify the results and direction for that subsector over the next two to four years. Many felt there should be a vision statement for APRP that would help communicate project results and direction.
5. Need to strengthen analysis and the way benchmarks are written. It was felt that indicators for benchmarks should be identified earlier and become part of the benchmark document from the beginning. Some felt that the delineation between a benchmark and an implementation activity should be more sharply defined so there would be fewer benchmarks that would be more appropriately categorized as implementation activities. Many felt that the analysis behind some of the benchmarks should be more rigorous and compelling. USAID felt that it would be more helpful to them internally if the benchmark documents were more clearly written.
6. Need to consider more multi-year benchmarks. It was felt that the one-year time frame for benchmarks creates a tendency to select easy targets; however, if more difficult issues could be spaced out as multi-year benchmarks, then possibly the project could achieve results in more difficult areas.
7. Need to consider additional subsectors. Questions were raised about the need to consider benchmarks in other subsectors, especially those subsectors where new benchmarks might be developed that better emphasize competitiveness, trade, investment, job and income generation, and exports.

8. Need to look for ways to streamline reaching agreement on acceptable benchmarks. Most of the people interviewed felt that in the past deciding on benchmarks and revising benchmarks took far too much time. It was felt that if benchmarks were developed jointly with USAID and the government, then the process of reaching final agreement would be less difficult. Some felt that USAID and the TA teams needed to have a clearer agreement on what should be included in the benchmark document itself. USAID requested that the TA teams put their best thinking into the draft benchmarks and that they work to improve the quality of the writing in the documents themselves.
9. Need to strengthen the communication and understanding between USAID and APRP (by APRP we mean the TA teams and the PPC). While everyone agreed that in general the working relationships between USAID and the project were quite good, developing Tranche IV benchmarks and getting an MOU signed by June 1<sup>st</sup> would be challenging.

**USAID identified the following as important needs and requests they have of APRP:**

- One) Need the project to be committed to the APRP policy framework. This is the agreement that has been signed by GOE and USAID. Internally (within AID), the AG Policy team is expected to use this framework to report accomplishments and results. USAID prefers that APRP follow the framework and use it to make choices, set priorities and communicate about the work that is being done.
- Two) Need better quality drafts that come to the USAID Ag Policy Team – drafts that contain the project’s best thinking. AID would prefer that APRP debate and reach consensus on draft benchmarks before they are sent to them. They do not want to receive draft benchmarks that are “trial balloons” – things that should have been debated and cut out before being submitted to AID. In addition, the Ag Policy Team is asking that APRP devote time to improving the quality of the writing in the draft benchmark documents. The Ag Policy Team does not have time to spend editing or fixing the way the documents are written.
- Three) The project should not re-submit benchmarks when USAID has definitely said “no.” In Tranche III, the Ag Policy Team felt like APRP tried to sneak things back in after a benchmark had been rejected.
- Four) Need the draft benchmarks submitted from both RDI and EPIQ to come from the team not individuals. AID felt that in Tranche III RDI developed and submitted benchmarks more as individuals. This resulted in inconsistent quality and format.

**APRP identified the following as important needs and requests they have from USAID:**

- One) APRP would like the AID Ag Policy Team members to read the draft benchmarks and reach agreement among themselves about questions they have or benchmarks they want to drop before meeting with APRP. It was felt that the meetings between APRP and the Ag Policy Team to reach final agreement would then proceed more smoothly.
- Two) APRP would like to better understand which benchmarks would be acceptable to the Ag Policy Team. In Tranche III some benchmarks were accepted initially, others were rejected. Then later on some of these decisions were reversed. The reasons for these choices were not always clear to APRP.
- Three) APRP, of course, wants to develop benchmarks the Ag Policy Team can sell to their senior management and wants to respond to their feedback. APRP feels it will be better able to do this if the tone of the feedback is constructive – clear, descriptive, and specific.
- Four) APRP feels it would be extremely helpful if the Ag Policy team members would attend working group meetings where draft benchmarks are discussed and debated with GOE counterparts and implementers. When the AID team members don't attend working group meetings, they don't understand the thinking behind the benchmark. Because the AID team members don't always have time to read the things sent to them, they are unable to keep up on benchmark development. Then when we are ready to make decisions, there is a lot the Ag Policy team members don't understand.

### **III. WORKSHOP DESIGN AND OUTCOMES**

A two-day workshop was conducted December 14-15, 1998, the first day of which was to consolidate and materialize ideas for improving the benchmark formulation process. The second day of the workshop was devoted to presentations and discussion of vision for selected priority subsectors. This workshop was attended by most staff on the TA teams and the staff from the USAID Ag Policy office.

Objectives for Day 1 of the Workshop were: 1) To agree on adjustments to make to the Tranche IV benchmark formulation process, and 2) To agree on the steps and timeline for completion of Tranche IV by June 1, 1999.

A significant outcome of the workshop was the agreed upon path forward for developing Tranche IV benchmarks. The path forward follows is included below.

## **Path Forward for Developing Tranche IV Benchmarks**

The following steps for completing Tranche IV benchmarks were developed in the December 14<sup>th</sup> Workshop, and a timeline was agreed to:

1. Vision Statements for major subsectors are due to USAID by January 5<sup>th</sup>.
  - One) Crafting vision statements that clarify expected results as well as why these expected results are important.
  - Two) Sharing vision statements within all parts of the project.
  - Three) Vision statements sent to USAID.
2. Agreement on Basic Issues by January 20<sup>th</sup>.
  - a) Definition of a benchmark as compared to an implementation activity or study.
  - b) Criteria to use in selecting benchmarks.
  - c) Format for creating benchmark documents.
3. Consult implementing agencies about Tranche IV draft benchmarks.
4. Preliminary benchmark documents to USAID by February 1<sup>st</sup>.
5. Revisions from USAID to RDI, EPIQ, FSRU, MVE by February 15<sup>th</sup>.
6. Revised draft benchmark documents distributed to USAID and other team members by March 8<sup>th</sup>.
7. Tranche IV Workshop, March 17-18<sup>th</sup>.
  - One) Presentation of benchmark documents.
  - Two) Reach agreement on which benchmarks to include, which need further refinement, and which to drop or “put on the shelf” for possible later use.
8. Final Agreement on Benchmark Documents to submit to USAID by April 1<sup>st</sup>.
  - One) Make revisions coming out of Tranche IV workshop.
  - Two) Meet for additional debate when needed.
9. Preliminary USAID Agricultural Policy Office final approval by April 15<sup>th</sup>.
10. Approval of PPC by May 1<sup>st</sup>.
11. Approval by Front Office Group in USAID by May 15<sup>th</sup>.
12. MOU written by May 20<sup>th</sup>.
13. MOU signed on June 1<sup>st</sup>.

#### IV. LESSONS LEARNED IN THE BENCHMARK FORMULATION PROCESS

As reported in *RDI Report No. 44, Review of APCP and APRP Tranches*, by Dr. Max Goldensohn, RDI Chief of Party, USAID has supported liberalization and privatization of the agricultural economy in Egypt since 1987 with technical assistance and program support grants. In both APCP and APRP, the technical assistance teams have worked with the GOE and the private sector to develop benchmarks to measure policy changes in liberalization and privatization.

The early APCP benchmarks focused only on policy reform within the Ministry of Agriculture and Land Reclamation, while APRP benchmarks involve five GOE ministries, and are, therefore, spread across a wider spectrum of reform targets.

The individuals interviewed felt there had been a number of lessons learned about how to formulate benchmarks effectively. The lessons learned that were most frequently mentioned were the following:

One) Effective benchmark formulation requires the benchmarks to be developed jointly by the TA teams, USAID, ministry officials, and implementers.

During the later tranches there has been increased involvement of the private sector in policy discussions and benchmark formulation. This involvement creates a stronger voice for the private sector for policy reform.

It was felt that while benchmarks should push the GOE to accomplish policy reform as swiftly as possible, it is important to make certain the benchmark is implementable and salable within the government. Several felt that benchmarks that did not have government support were not implementable.

Two) Since many reform efforts require actions from more than one ministry, benchmarks that support multi-ministerial reform approaches are proving effective.

Three) Fewer, more significant, benchmarks are more effective. In APCP and in early tranches of APRP there were as many as 70 benchmarks. Included as benchmarks were a variety of studies, policy actions, and implementation activities. Benchmarks are now focused more on policy actions rather than studies and implementation activities.

Four) The desired results of the reform—the vision or end result that reform is intending to accomplish—should be openly discussed, debated, and communicated clearly. From this vision, several related and/or sequential benchmarks can be developed, resulting in more unified or multi-year benchmarks, which was felt to offer distinct advantages.

Five) Building verification indicators into the benchmark process in the early stages has been an improvement. Creating indicators as a part of developing the benchmark created an increased awareness of how benchmark progress could be verified. It also helped the government specify the required actions needed to accomplish the benchmark. There were no indicators specified in benchmarks in APCP and in Tranche I. Indicators were introduced in Tranche II, refined and continued in Tranche III. In Tranche III the indicators became a part of the MOU.

Six) A thoughtful, deliberate benchmark formulation process that involves a number of stakeholders in appropriate discussion and debate results in better-targeted, achievable benchmarks. When these benchmarks are then combined into a clear, coherent package, they make a strong supportive case for agricultural policy reform in Egypt that can justify current funding levels.

## **V. RECOMMENDATIONS FOR STRENGTHENING HOW TRANCHE IV BENCHMARKS ARE FORMULATED**

A number of recommendations for strengthening the benchmark formulation process for Tranche IV were listed by individuals during the interviewing process. These were summarized and organized into different categories and are contained throughout this report. During the workshop, small table groups made suggestions about which improvements would be most important. These will be listed in the Workshop Proceedings that will be widely distributed. It is of course the responsibility of the TA Chiefs of Party and the USAID Ag Policy team leader to determine which of these recommendations for improvement have the highest priority for implementing.

The following paragraphs include several recommendations that I believe would help make certain the benchmark formulation for Tranche IV proceeds as outlined in the timeline and path forward.

### **1. Need to strengthen the way we draft benchmarks, make revisions, and reach agreement.**

USAID and the TA teams need to take time to discuss and agree on: a) the definition of a benchmark and how that differs from an implementation activity, so there is less confusion about what is a benchmark and what is not; b) criteria that will be used to select benchmarks; and c) the format that will be followed in the benchmark documents.

The TA teams need to make certain that the draft benchmarks sent to AID for their review in February 1999 contain their very best thinking. The benchmarks sent from each TA team should be discussed and agreed to by the team so that it has team

ownership, not just the ownership and support of the benchmark originator. Benchmark originators need to accept feedback from their colleagues on how the benchmark could be strengthened, both in the content of the benchmark document and how it is written. The Chiefs of Party for the TA teams should have the final decision as to whether or not that benchmark is included in the those sent to USAID and should be accountable for the quality of writing contained in the documents.

The consensus achieved at the Tranche IV workshop in mid-March (similar to the Tranche III workshop at Abu Sultan) is quite important. However, achieving consensus on approximately 30 benchmarks among 50 or so individuals can be a daunting task. I suggest we work for consensus at some earlier steps which can take the pressure off trying to do it all in one two-day workshop.

In the Timeline for Tranche IV, Step 3 speaks about a process to use to identify possible benchmarks and to agree on this before time is devoted to writing it up as a draft benchmark. This is an important time to achieve agreement that this possible benchmark is strong enough to warrant more developmental time. The possible benchmarks could be grouped according to five policy goals from the APRP policy framework. Then shorter facilitated meetings between the appropriate persons (USAID, selected TA team members, and counterparts) could consider all the possible benchmarks for that policy area and select the ones they felt were the strongest.

In the Timeline for Tranche IV, Step 5, *Tranche IV Workshop*, I suggest that some preliminary meetings to reach agreement and focus concerns and questions from AID be facilitated in preparation for the Tranche IV Workshop.

## **2. Packaging benchmarks for consumption and approval within USAID**

The benchmarks should be organized and packaged under the APRP policy framework in a way that emphasizes the total package. Without this framework, our benchmarks can appear scattered and not part of an effort worthy of maintaining current levels of funding. Perhaps we need higher level, less compartmentalized vision statements that emphasize the results that AID is particularly interested in – competitiveness, trade, investment, job and income generation, and exports.

The TA teams need to be willing and creative partners with the Ag Policy staff to put together a total package for ag policy reform that is compelling and strong enough to ensure APRP extension. As technical people, we often are impatient at the time it takes to conceptualize and write these type documents. We feel our time would be better spent in providing the technical assistance for implementation. However, I believe we need to involve ourselves more actively in how we package and communicate our program.

**4. Active leadership in managing and monitoring the events that make up the steps in getting the MOU signed by June 1<sup>st</sup>.**

I urge the PMU to assume the leadership needed to help get the benchmark process through the next 5 months. By leadership, I mean, attention to helping all parties move through the process in a timely way so that none of the steps that have been identified as important are neglected. This type of leadership is catalytic, facilitative, encouraging, and helpful—neither the final decision-makers nor the policemen. It is paying attention to what is needed at each stage of the process—helping the right things to happen, doing the leg-work to help get the work done, helping resolve differences that might come up, and offering facilitation help at critical times. One might say that each Chief of Party will be responsible for his part and we do not need the leadership role I have described. The Chiefs of Party are really good leaders, but they are very busy. I believe the “shepherding” coming from the PMU, with Chiefs of Party remaining the decision makers, can help all of APRP stay focused on accomplishing this important task by June 1<sup>st</sup>.

**5. Planning and facilitation for the Tranche IV Workshop in mid-March**

The timeline and path forward for Tranche IV indicate that draft benchmark documents be presented to the Ag Policy Team at USAID by March 8<sup>th</sup>. It is important that this deadline be met so that the folks at AID can have several days to review them and reach some preliminary consensus among themselves before attending the workshop itself, scheduled for March 17 and 18.

My suggestion would be that I arrive on March 7 to begin the planning and prework needed for the workshop on the 17th and 18th. I could work with the Ag Policy Team to help them reach consensus and craft their feedback on the benchmarks. We could hold any smaller meetings that are needed to make sure we are working on reaching consensus to the extent possible before the two-day meeting. I could also plan and prepare for the meeting itself, making sure the design and the process we use emphasizes the need to be absolutely clear on the common understanding of the agreements being reached.

## V. ATTACHMENTS

*The following are attachments.*

- 1) WHAT WORKS WELL
- 2) WHAT NEEDS IMPROVEMENT
- 3) INDIVIDUALS INTERVIEWED
- 4) TERMS OF REFERENCE

## WHAT WORKS WELL

The following are key themes evolving from the information collected in response to the query, “What works well in the benchmark formulation process?”

- A. *We are effective at Developing High Quality Benchmarks*
- B. *We work well with ministry officials, counterparts, and implementers*
- C. *We work hard at reaching consensus*
- D. *Our project is working well*

The following are illustrative quotes from individuals that can add context and meaning to the above themes. Quotes are not included unless more than two or three individuals voiced the concern; however, the individual quotes are not always majorities of opinion.

Immediately following the quotes, in parenthesis, is the group from which the quote(s) came. In order to maintain confidentiality, no further identification would be appropriate.

### **A. We are effective at Developing High Quality Benchmarks**

- In general the benchmarks are good. They are having a major impact on privatization and liberalization. Tranches (T) I and II accomplished a great deal. (PPC)
- We are pretty good at finding a problem that needs solving. We study it and frame a benchmark. We take a sector and see what has been accomplished and figure out what needs to be accomplished. By this you can see what could be a benchmark. Have to be sure the implementers can implement it and that it is a salable benchmark within the government and within AID. AID likes things to go faster while the government is reluctant to move so quickly. Our job is to convince both sides – the government to be more aggressive and AID to be more patient. I think this is working pretty effectively. (PMU)
- We are now able to connect this year’s benchmarks with previous efforts. We are getting more comfortable with 2-year benchmarks. (AID; RDI)
- Final benchmarks are very good (AID)
- We have benchmarks that strengthen the policy process, building bridges across the ministries, learning how ministries can work together. (AID)
- T III was the first time we put indicators in the MOU. This is an improvement that should be repeated. (MVE)

- We try to follow the policy wheel, follow the steps and do good analysis. We have good contacts within the private sector and government as well as the other projects. I think we do a pretty good job. (MVE)
- Our benchmarks now are much better than they were in the beginning. We have learned a lot. (MVE)

**B. We work well with ministry officials, counterparts, and implementers**

- Many T III topics came from the private sector. We get ideas from our colleagues in the private sector, have much discussion among investors, companies, and farmers. I carry forward their case into the benchmark discussions (PPC)
- Benchmarks are most successful when they touch the interests of the end users – addressing the common interests of all. (PPC)
- The representatives from the four ministries are good – they are in a position to influence the ministers. (PPC)
- We do pretty well in getting ministry staff to tell us what is on their minds. We use these ideas to identify potential benchmarks. (PPC)
- We have excellent collaboration between expat TA staff and their partners in the ministries and the private sector as well as other projects. The spirit with which they relate is one of collegiality and equality. (PMU)
- There is a spirit of collaboration between the contractors, the ministries, and AID. We have an unusual project – several ministries working together. Space between these ministries is full of “land mines”. We have been able to work under these constraints and create partnering for collaborative advantage. (PMU)
- Mr. Nour’s role in helping things go smoothly is often under appreciated. He is occasionally criticized for not always taking a firmer stand on issues; however, one reason things work so smoothly is that he does his homework and walks things through the approval process wisely. (RDI; PMU)
- We have lots of communication among all the players. We got ideas from our staff and from our counterparts. Together we worked to identify benchmarks. Craig worked with us all the way. I found it very effective. (EPIQ)
- Project staff are very cooperative. They visit sites and meet with working groups. They listen. (Egyptian counterpart)

- Good benchmarks include lots of perspectives. I would like to give my input to T IV discussions. (Egyptian counterpart)
- Project works with different channels that are interested in the problem. Helps link ministry with private sector and end-users. Good at talking to these constituencies (Egyptian counterpart)
- Because of the kind of team we have we are able to maintain constant dialog with people most concerned with the benchmark for both government and private sector. When we come up with a benchmark it usually reflects the main concerns of our partners. It was not always like that – this is an improvement. (RDI)
- We are good at eliciting ideas from our collaborators (RDI)

### **C. We work hard at achieving consensus**

- The workshop at Abu Sultan for TIII worked well. We need to do something similar for T IV. (PPC; AID; RDI; EPIQ; MVE)
- I think our benchmark formulation works well. It is not a straight forward, easy to do process. Things change a lot as it is being developed; it is complex. We need to expect this to continue. There is no one way to do it. I think we have found a pretty workable way. We have refined it from year to year, and it gets better all the time. (AID)
- In water we do it a little differently than on the agriculture side, but we don't need to look the same. We are working in one ministry primarily and that is simpler. Lends itself to using a steering committee. This committee has worked very well. The water benchmarks are the ministry's benchmarks. There is a good sense of ownership. The minister himself is a positive force. We are very lucky. (AID)
- In water we have lots of meetings about benchmarks. All ideas are on, then we refine them, look at the pros and cons. Sometimes debates get heated. We go back and forth. Takes time. We come back to AID with our ideas to get reactions and feedback from our other colleagues. We make the changes they suggest. Works good, but takes a lot of time. (AID)
- We are good at getting consensus. Consensus takes time. We need to remember this. I am happy with the process we are using. (EPIQ)
- Conferences that we have held on benchmarks have been effective. We have met most of our scheduling commitments. Steve's gentle, forceful facilitation is helpful. (RDI)

- The benchmarks that our team comes up with reflect real concrete policy issues that have to be addressed if we want to cause policy reform. It then becomes more about deciding about which benchmarks are included finally in the MOU. Tom and Ali have a pretty good idea of what is going on and how that can sell things internally in AID. (RDI)
- I always enjoy the benchmark review. We have a really good team – lots of informed discussions. (AID)

#### **D. Our project is working well**

- The project has lots of energy. Excellent TA teams. (AID)
- Max is good, smart, and sees where we are coming from. Good at coordinating with other parts of the project and with other projects. (AID; RDI)
- Project is the best I have ever worked on. Communication is excellent – very transparent. The selection of technical staff was based on qualifications. The project management is very, very good. (RDI)
- Working relationships between Jeff's team and ours is becoming very good. (RDI)
- The AID folks are sincere defenders of our work. (RDI; EPIQ)
- Ali is very knowledgeable about benchmarks, has lots of history with ag policy reform. We are lucky to have him. (RDI)

## WHAT NEEDS IMPROVEMENT

### 1st. Developing Draft Benchmarks

The following are the key themes that evolved from the information collected:

- A. *Need to involve government officials and other implementers more fully.*
- B. *Need to have benchmarks that help institutionalize policy reform as well as ministries working together to facilitate policy reform*
- C. *Need to use the APRP policy framework more fully*
- D. *Need to strengthen analysis and the way benchmark documents are written*
- E. *Need to consider having more multi-year benchmarks*
- F. *Need to consider additional subsectors*

The following are illustrative quotes from individuals that can add context and meaning to the above themes. Quotes are not included unless more than two or three individuals voiced the concern; however, the individual quotes are not always majorities of opinion.

Immediately following the quotes, in parenthesis, is the group – AID, ACRP, or PPC - from which the quote(s) came. In order to maintain confidentiality, no further identification would be appropriate.

- My main worry is that we may not get enough involvement of end users to make them more keen on implementation. We can learn a lot from them by listening and involving them more (PPC)
- Need to have more benchmarks that meet the needs of more than one ministry. Need to focus on institutionalizing the process for ministries to link and work jointly on policy reform. (PPC; Egyptian counterpart)
- Need to have more “hearings” – brainstorming workshops for one or two days where we can ask people for their opinions. Should do it outside Cairo so people are not distracted and can stay away from stress. We collect as much information as we can; then review it and select the most important for benchmarks. (PPC)
- Need to have benchmarks that help ministries institutionalize the policy reform process since we will need to continue the reform efforts into the future. (PPC; Egyptian counterpart)

- Benchmarks must be developed that both strengthen the private sector and get the government to move. (Egyptian counterpart)
- APRP needs to know about what all the other donors are doing, and look for ways to link. They also should link with other ministries such as science and technology. (Egyptian counterpart)
- Need benchmarks that urge the government to provide initial support or “start up” to the associations. Strong associations can help the private sector, but we have to be able to give services before we can collect fees. We do lobbying by nature, but not by profession. (Egyptian counterpart)
- We need to get the benchmark ideas that the government would like to see – get their ideas and priorities first. Instead we sometimes start to develop the benchmarks here without the government. Then when we take our ideas to them they don’t want to do it. (APRP)
- Need to organize the proposed benchmarks in the stated policy areas. The benchmark should not be connected to an individual, but should be part of an entire package that fits, and is defensible under the APRP policy framework. (AID)
- Need to start as soon as possible. Need to get the involvement of key PPC members and government officials. Too many ideas come from the TA group. (Water did a good job of this, but it is far simpler for them.) Need to involve other implementers. The benchmark improves with the involvement of the implementers. (AID)
- In developing benchmarks some follow the policy reform cycle and some are ad hoc. If the benchmark is based on ad hoc analysis, it should not be done at the last minute. Sometimes we got benchmarks from ministries that were too late. We tried to incorporate them at the last minute, but didn’t work so well. (AID)
- Need to discuss the benchmark and the verifiable indicators early on. Sometimes the benchmark is stronger than the indicator, and we don’t want strong benchmarks with weak indicators. It is best to identify the indicator early on and get it into the MOU. (AID; APRP)
- Need to help our TA team understand how we see the difference between a policy benchmark and an implementation activity or a study. We kept debating the definition of a policy reform benchmark – everyone had his or her own definition. This definition needs to be agreed to and commonly understood. Should be done early on before we get too far into making decisions. I can define it but don’t want to do it unilaterally. (AID)

- Sometimes we don't articulate the problem well enough, doing some specific analysis before we develop it into a benchmark. This can cause the language in the benchmark to be vague or immature (example: state the GOE rather than to be more specific). (AID)
- There is some very good analysis done on the project; however, we are spread very thin. We need to do more studies to stand behind the benchmarks, but we are heavily invested in implementation. I had planned to do more studies this spring. Now that we are moving up the dates, it will be difficult to get the studies completed. Perhaps we are too ambitious and should focus on fewer things. (APRP)
- Sometimes we get excited about a new possibility and don't fit it into the policy framework or do the analysis needed before crafting it into a benchmark. We need to know who will be the "owner" of this policy, who will implement it? What is the beneficiary? What will it cost? (AID)
- It is asking a lot to implement T III and get the MOU developed for T IV. We can make some improvements, but it is still a time consuming and complex process. (APRP; AID)
- We are beginning to see multi-year benchmarks. Need more of this. (APRP; AID)
- We cover many subsectors, but there are some glaring omissions. For example why don't we work in oils, fishing, etc. – more in agri-business. We are expecting to join the international economy, but we have not done much about labor or foreign investment. What about preparing for competition? (APRP)
- We have done a lot of work in certain subsectors. Even though we are not finished, maybe we ought to move into other areas. Might help AID feel they were not hearing the same thing over and over. (APRP)
- We should not select benchmarks that require us to twist the arms of the government (even though we know it may be exactly what they ought to do) because they can easily avoid whatever we are trying to force them to do. (APRP)
- The government is our client. We work for them. We need to find policy things we can do that they feel will help them – concentrate on expanding what they are doing. We need to face reality and not use our resources in places where the government isn't ready. (APRP)
- We should create benchmarks to reward whatever the government is doing that is effective. (APRP)

- We have a number of benchmarks spread out – can make us look scattered. How we package these in a cohesive whole is important. (APRP; AID)
- We need to find out what is in the government’s new 5-year plan. If we understood their strategy, we could focus our benchmarks on helping achieve this. We rely on talking to people, but why not use the 5-year plan/strategy. (APRP)
- Our short time span causes us to select too easy targets. We should decide on a final objective and divide it into steps. We could develop multi-year benchmarks. (APRP)

## **II. Revising Benchmarks and Reaching Agreement**

- The following are illustrative quotes from individuals that can add context and meaning to the above themes. Quotes are not included unless more than two or three individuals voiced the concern; however, the individual quotes are not always majorities of opinion.
- Immediately following the quotes, in parenthesis, is the group – AID, ACRP, or PPC -from which the quote(s) came. In order to maintain confidentiality, no further identification would be appropriate.
- Developing T III benchmarks was hectic. There were some steps that created tension. We ended up with solid benchmarks and solid background paper, but we did have tensions that carried over to our other work. (AID)
- We need to have lots of discussion early on in the benchmarking process, then develop a schedule and stick to it. (APRP)
- AID remains aloof from the process until the benchmarks are put together. After we spent a good deal of time developing benchmarks, then AID intervenes. Once they became involved we had lots of meetings. There were many rounds of meetings. Sometimes it got combative. We would go back and make revisions, they would find something else wrong, we would try again and they would find something else. I found this very frustrating. Tensions resulted. (APRP)
- Developing benchmarks should be a joint process with AID. Sometimes it is not clear that AID understood what the benchmark was and why it was important. They had differences of opinion among themselves. It sometimes got uncomfortable. (APRP)
- Each of us looks at our sector, identifying constraints and suggesting what could be done to overcome these. We work with our colleagues and counterparts to make certain this is a good idea. Then we have a big meeting and fight it out. It is hard to

reach agreement. I would like to reach some consensus within RDI before we take it public. (APRP)

- When AID comments on the benchmarks, they focus on format and wording. They change their minds many times. We spend more time working on how to present this to AID than we think about the substance. They rewrite things, changing the content. Then it sometimes ends up being something we don't agree with. (APRP)
- RDI has not had sufficient internal quality control on benchmarks and background data. We sent things over to AID just to try them out. (RDI; AID)
- RDI needs more intensive meetings to discuss their benchmarks before bringing them to the table of the larger APRP. Last time they did not have internal agreement on their benchmarks. This caused time consuming internal discussion in front of everyone else. (APRP)
- Tough to get benchmarks that are all supportable in AID. I would like to have a few that are really sound, and then be absolutely sure that the thinking behind them is sound. We have to put it into a consistent package. Everyone tries to focus on their own benchmark and doesn't particularly look for ways to link them with one another. (AID)
- We need the benchmarks to fit together as a package. They need to have substantive content, be clear with a logical flow, and be written in very plain English so they can be understood throughout AID management. This needs to "sell" us – our policy reform efforts. We have to "sell" our new mission director. He will ask tough questions, and we must have good answers. (AID)
- Need to be careful to document agreements (Abu Sultan). Need to capture more detail and repeat the agreements over again during the meeting to make sure we understand one another. Probably needs more than one facilitator. (AID)
- The project needs to try to do their best thinking before they send us the benchmarks so we don't have to back and forth again and again. (AID)
- Perhaps we should have a preliminary workshop on proposed benchmarks. We could cover the benchmark objective, 3 or 4 reasons why it is important – share ideas and have discussions. We could be sure we are debating the "so what" question. (AID)
- Need to have criteria for prioritizing and selecting the benchmarks included in the MOU. Last year's criteria were good, but we need to spend time agreeing up front on the criteria to use for T. IV. (AID)

- AID didn't engage soon enough and intensively enough. It is AID and the government that negotiates. AID has been sitting back waiting for us to bring benchmarks to them. This puts the TA people in the middle of developing benchmarks. We should be assisting in the benchmark process, not leading it. (APRP)
- In developing benchmarks for T III, we changed things about 20 times. I got fed up and wanted to throw the whole thing out the window. (Egyptian counterpart)
- We need some ground rules we all agree to follow. Some people have trouble saying (or hearing) no. (APRP; AID)
- I want to avoid wrangling about specific words or format. This is hard on everyone. (APRP)
- Could the TA staff members be helpful in presenting benchmark rationale within the AID decision making structure? (APRP)
- In the past there was more substantial AID involvement in the benchmark formulation and negotiation. Now because of budget cuts in AID the staff is delegating more of this to the project. That positions them coming into the process in a more critical mode. Tension escalates. (APRP)
- I think we should break up the benchmarks into groupings and have several meetings rather than try to hammer it all out at once. (APRP)
- The way we have organized ourselves causes us to focus as individuals in our own areas of specialty. We don't integrate these enough. (RDI)

### **III. Need for vision**

There was nearly total agreement on the need for developing and reaching common understanding of the vision behind the benchmark.

- Need to develop a vision statement(s) that clarifies overall direction – where we want to be in 3 to 5 years. (APRP)
- The vision workshop will provide a framework for formulating benchmarks that will be very useful. (APRP)
- Need a workshop that will help us agree on a common vision for T IV benchmarks. We may be able to pick up some T III benchmarks that we dropped. (Egyptian counterpart)

- Need to have more vision behind the benchmarks. In the past the benchmarks have often been rather low level and don't always justify the funds involved. Causes officials at AID to ask "Why am I paying for....". (APRP)
- Perhaps we should limit the number of benchmarks. People are stretched very thin. They do a lot of work in implementation; however, the benchmark formulation process is very time consuming. Hopefully, the vision workshop will help us focus. (APRP; AID)

#### **IV. Key messages AID would (respectfully) like APRP to hear**

- Need the project to be committed to the APRP policy framework. This is the agreement that has been signed by the Egyptian government and AID. This is the framework that we are expected to report and support. Internally within AID, this framework is very important to us. We need the project helping us use this framework effectively.
- We need better quality drafts that come to us – drafts that contain the project's best thinking. Sometimes on the agriculture side we got "trail balloons" – things that should have been debated and cut out before we got them. In addition, I don't think APRP realizes how much time it takes to fix their writing.
- .
- The project should not re-submit benchmarks when we have definitely said "no". Last time it felt like they tried to sneak things back in after we had said no.
- RTI develops benchmarks more as individuals. We got benchmarks from individuals with inconsistent quality and format. From the water group we got the entire thing as a whole. That was better for us.

#### **Key messages APRP would (respectfully) like AID to hear**

- I would like the AID Ag Policy people to read our draft benchmarks and reach agreement among themselves about questions they have or benchmarks they want to drop. Then met with us after they have reached consensus among themselves. If they wanted, perhaps we could provide a facilitator to help them reach agreement and develop the feedback they have to give to us.
- It would help if I understood better what would be acceptable to AID. I wrote several benchmarks. Some were accepted initially, others were rejected. Then later on they changed their minds. I am not sure of the reasons behind their choices.
- The TA team is made up of professionals. AID's feedback memo felt like a reprimand. Didn't convey a sense of partnership.

- It would be helpful if AID would come to working group meetings. When they don't attend, they don't understand the benchmark. They don't always have time to read the things we send them – they don't keep up on benchmark development. Then when we are ready to make decisions, there is a lot they don't understand.
- Some of the folks at AID do try to edit too much.

### **LIST OF INDIVIDUALS INTERVIEWED**

#### **USAID**

Dr. Tom Olson  
 Dr. Craig Anderson  
 Mr. Ali Kamel  
 Dr. Glenn Rogers  
 Dr. Mohamed Omran  
 Dr. Wadie Fahim  
 Eng. Mahmoud Mabrouk

#### **PROGRAM PLANNING COMMITTEE (PPC)**

Eng. Hamed El-Shiaty  
 Dr. Adel Beshay  
 Eng. Gamil Mahmoud  
 Eng. Abdel-Rahman Shalaby  
 Eng. Mahmoud Nour

#### **MINISTRY OF AGRICULTURE AND LAND RECLAMATION**

Dr. Bakir Oteifa  
 Dr. Abd – Elwahab I. Allam  
 Dr. Yassin Osman

#### **PRIVATE SECTOR**

Dr. Samir El Naggar  
 Mr. Kamal Nasser

#### **AGRICULTURAL POLICY REFORM PROJECT**

Eng. Mahmoud Nour  
 Dr. Randall Parks  
 Dr. Max Goldensohn

Dr. Jane Gleason  
Dr. Sayed Hussein  
Dr. Ken Swanberg  
Dr. Edgar Ariza-Nino  
Ms. Fatma Khattab  
Dr. Gary Enders  
Dr. Morsy Fawzy  
Dr. John Holzman  
Dr. Jeff Fredericks  
Dr. John Keith  
Dr. El Sayed H. Mahdy  
Eng. Sarwat Fahmy  
Eng. Mohamed Nasr Ezzat

### **DEPRA PROJECT**

Dr. Rollo Ehrich

**RDI SHORT-TERM TECHNICAL ASSISTANCE (STTA)**

**Agricultural Policy Reform Project  
REFORM DESIGN AND IMPLEMENTATION UNIT**

**Proposed Terms of Reference**

**Assessment of the Tranche III Formulation Process  
Organizational Development Consultant**

Proposed Personnel: Wilma Gormley  
Number of Days: 20  
Position: Organizational Development Specialist  
Period of Performance: 12/01/98 to 12/24/98

***Justification for these terms of reference:***

The purpose of the Agricultural Policy Reform Program is to assist the Government of Egypt to design and adopt policies which will result in a market driven and private sector led agricultural economy. APRP works with the Ministry of Agricultural and Land Reclamation, Ministry of Public Works and Water Resources, Ministry of Trade and Supply, and the Ministry of Public Enterprises. APRP consists of several technical assistance teams which work with the government and the private sector to design and implement reforms. The program also includes financial disbursements to the GOE in support of the reform process. These disbursements are given to the GOE based on its performance in implementing reforms.

The disbursement of APRP funds is tied to Memoranda of Understanding (MOU), annual documents which contain "policy reform benchmarks" in the various reform areas. The annual sets of policy reform benchmarks, known as tranches, are agreed to by both USAID and the GOE, and achievement of them constitute the basis for the disbursement of funds. Policy benchmarks are chosen because they represent the most important reforms needed for privatization and liberalization at a given point in time. Some of them require the GOE to adopt a strategy or plan for liberalization, some require field implementation of an adopted reform, and others commit the GOE to ratifying laws or regulations to support a liberal economy. APRP's Tranche I contained over 70 benchmarks, Tranche II about 35, and Tranche III, which was recently signed, contains about 30 benchmarks. Benchmark topics include any of a dozen or more topics or subsectors. For example, benchmarks in Tranche II included commitments by the GOE to implement reforms to improve the cotton marketing system, develop a strategy for the liberalisation of the pest management sector, and reorient the efforts of the research and extension units within the MALR in support of a private sector led economy. On the basis of the GOE's policy reform performance during tranches I and II, USAID disbursed over \$100 million to the GOE to assist with further policy reform in the agricultural sector.

The definition and negotiation of the benchmarks is critical to the success in the reform process. A lot of money is contingent on defining and agreeing to the annual set of benchmarks. In years past, during APCP, a project preceding APRP, USAID developed and negotiated seven tranches. USAID economists along with their Egyptian counterparts were solely responsible for writing each set of benchmarks. With the fielding of APRP technical assistance teams, the process for developing and agreeing to benchmarks has changed. The TA Teams take a much greater role than before in defining the pertinent issues that warrant benchmarks.

For Tranche II and Tranche III MOUs, the TA teams provided USAID with benchmarks, background statements justifying each benchmark, and verification indicators to judge the GOE performance towards achieving the benchmarks. The process to development benchmarks is continuous, it builds upon the work accomplished in previous tranches. The process is participatory, involves stakeholder representatives, and requires many meetings and workshops. On the whole, the process has provide satisfactory end results, but the process itself has not always gone smoothly, primarily because key participants in the process have different levels of participation, different levels of understanding of the technical and economic issues involved, and different levels of experience with liberalization and privatization. In addition, there is not a common understanding of who is responsible for what in the benchmark development process. The TA Teams, for example, came to Egypt with the understanding that developing benchmarks was USAID's obligation, and while the technical professionals realize that they have considerable field knowledge about policy reform issues, they nevertheless are not clear about their role and the limitations of their role.

The benchmark development for Tranche II proceeded as follows. In February 1998, USAID and APRP held a two-day workshop to review what went well and what could have gone better with the Tranche II process. To prepare for this workshop, the RDI public awareness specialist conducted one-on-one interviews with over 20 representatives of the units under APRP and with USAID. The themes of these interviews provided the basis for the goals and agenda of the 2-day *APRP Review Workshop* held February 25-26, 1998, in Luxor. Over 40 members of the technical teams from RDI, PMU, WPAU, EPIQ, GreenCom and USAID attended the workshop. It resulted in agreement on a new format for benchmarks, in a better understanding of how water and agriculture should be integrated in the process, and an action plan for finalizing Tranche III benchmarks.

In April 1998, the RDI and EPIQ Teams submitted first drafts of Tranche II benchmarks to USAID. They received no feedback on these drafts until June 1998. Then, APRP held a 2-day follow-up workshop in Abu Sultan which was attended by all the same participants from the Luxor Workshop, plus members of the inter-ministerial project advisory group--the PPC. All proposed benchmarks were reviewed in this workshop: some were accepted, some were dropped, and some were accepted for modification and resubmission. Draft benchmarks were refined and further refined during the June to September time period. The TA Teams and USAID held a large number of meetings to work out the exact details of each benchmark and verification indicator. The 29 Tranche III benchmarks were finalized the day the MOU was signed, with a USAID obligation of \$65 million.

Once again, as we look ahead to Tranche IV, APRP and USAID have an opportunity to review what went well and what could have gone better with the Tranche III process. APRP professionals, in the government, USAID, and the TA teams, felt that the set of Tranche III benchmarks are good, but there remains some concern that the process to develop the benchmarks takes too long, and, as mentioned above, that there is confusion over the process and responsibilities for writing benchmarks. **The purpose of these terms of reference is to conduct an assessment of the benchmark development process, and**

assist the TA teams, USAID and the GOE to streamline and clarify the process. RDI is proposing that an organizational development consultant conduct this assessment, and design and deliver a Project Workshop to review the assessment feedback and to initiate the Tranche IV formulation process.

***Objective of this short term assisgment:***

- To identify what went well and what could have gone better in the Tranche II and III formulation process, and, to the extent possible, in APRP Tranche I and APCP BM formulation.
- To recommend ways to improve the process -- that is, what the Technical Assistance Teams, USAID, implementation partners in the public and private sectors, other donors, and the PPC could do differently.
- To plan, prepare and implement a workshop to consolidate and materialize ideas about improving the BM formulation process.

***Timing:***

- December 1-16, 1998 in Egypt, plus 3 days to finalize report from the US. Total LOE: 14 days in Egypt, 3 days travel, 3 days in US: 20 days.

***Team and resources:***

- Wilma Gormley, Organizational Development Specialist, TRG.

***RDI Unit Responsibility:***

- Dr. Max Goldensohn, COP
- Steve Joyce, Public Awareness Specialist
- Kamal Nasser, RDI Institutions and Public Awareness Specialist

***Tasks:***

1. Review the documentation and process for Tranche II and III.
2. Interview participants in APCP and Tranche I BM formulation and review available documentation
3. Conduct interviews with:

- Representative sampling of all APRP Units,
  - All APRP COPs,
  - USAID technical officers,
  - other GOE and Private Sector implementation partners,
  - Other donors (GTZ, WB, etc.),and
  - PPC members.
3. Analyze interview data and prepare documents of key themes.
  4. Develop recommendations for improving the process.
  5. Deliver presentation (at 2-day workshop) prior to end of December assignment to present the themes and recommendations.
  6. Submit a final report summarizing findings and recommendations and drawing conclusions for the improvement of the BM formulation process for Tranche IV.