

FINAL REPORT

Proposed Organizational Structure Management Systems for the Foreign Trade Policies Sector FTPS

PREPARED BY
ATR Project

SUBMITTED TO
Ministry of Foreign Trade
USAID/Cairo

SUBMITTED BY
Nathan Associates



UNDER CONTRACT NO.
PCE-I-00-98-00016-00
Task Order 827

30 September, 2003

This report was prepared through support provided by the U.S. Agency for International Development, under the terms of Contract No.PCE-I-00-98-00016-00 Task Order 827. The opinions expressed herein are those of the author(s) and do not necessarily reflect the views of the U.S. Agency for International Development

Introduction

Over the past eighteen months, the institutional development team of the Assistance for Trade Reform (ATR) project, lead by Mr. Rasik Joshi and Mr. Abdel Wahab Heikel, have been working closely with the leadership of the Foreign Trade Policies Sector (FTPS) to develop a comprehensive plan for reengineering the Sector. This work is part of a larger effort through ATR to strengthen the capacity of the Ministry of Foreign Trade (MoFT). The current effort with FTPS, which began with a diagnostic review in August of 2002, has been designed to provide a restructured FTPS with a strong foundation for carrying out its mission and key objectives. The “Proposed Organization Structure and Management System for the Foreign Trade Policies Sector” that leads off this volume is the culmination of their efforts to date. It will provide the foundation for the implementation work that is to follow.

ATR’s approach to reengineering, which is reflected in the Organizational Structure and Management System” document, is to strengthen the underlying institution to allow it to meet its goals and objectives. In the case of FTPS, this has resulted in a strong focus on the establishment of structures that will permit middle management to take on more responsibility while holding them accountable for their actions. In this way, the efforts of senior management can be focused on providing strategic vision for the institution. A key innovation in this area is the establishment of an FTPS Management Committee that will bring together key personnel within the Sector to assist the First Undersecretary in the strategic management of the Sector.

But a proposal such as this must focus on more than management, and this one does. At its center, this proposal focuses on the key role that FTPS plays in the development of foreign trade policies. Thus it seeks to establish a clearer role for policy formulation and evaluation within the structure of FTPS and provide a mechanism for better coordination of trade policy within the Ministry. The latter goal is attained through the proposed establishment of a Foreign Trade Policy Committee.

This volume consists of a number of documents. The first is that proposed organizational structure and management system itself. This contains an explanation of our approach to reengineering in general and its application to FTPS. The end result of this document is a new proposed structure for FTPS and a number of specific proposals to improve management and operational capabilities within FTPS. These proposals were discussed at length during the workshop of senior executives of FTPS and a number of useful refinements were made which have been incorporated in this report.

However, that structure does not stand on its own. At its core, it rests on the Statement of Mission and Objectives for FTPS that is contained in Annex A. This Statement represents the mandate from the Minister to FTPS regarding the sector’s activities. It takes as its starting point the Ministry’s own primary mission of “expansion of foreign trade, resulting in creation of an environment conducive for trade liberalization, investment and attaining maximum benefits through trade arrangements.” FTPS’s role in accomplishing this mission is to initiate and evaluate trade policies in light of this goal and to ensure that trade policies are effectively administered.

Based on this mission for FTPS, functions logically follow and these are reported in the Statement of Functions that is included as Annex B. Many of the functions that are identified in

the Statement have been well defined within FTPS for some time. But the Statement's focus on functions relating to policy formulation and evaluation highlight give greater prominence to these activities and is the basis for the establishment in the proposed structure of a new Central Department of Foreign Trade Policies Research, Review and Revision. This new Central Department institutionalizes the role of policy development within FTPS in a way that has not existed before.

Before discussing the implementation of these proposals, it is important to highlight further the importance of policy coordination in this proposal. Trade policies the world over have a tendency to be reactive, not proactive and they tend to be adopted in response to specific problems that are brought to the government's attention by affected groups. This often leads to policy decisions that solve the immediate problem but create complications down the road. We are proposing the establishment of a Foreign Trade Policy Committee that would include a wide range of stakeholders in the trade policy arena. By using this Committee as a sounding board for new policies and as a mechanism for reviewing existing policies, it is hoped that the policy development process in Egypt can be more responsive to the broad needs of the economy.

Where do we go from here? It is now time to implement the changes that have been proposed in this volume and accepted by the government. This will require extensive efforts over the next year or more. It will require the development of job descriptions for all key personnel that will allow them to take on the added responsibilities that are called for in the proposal. Work plans will have to be established and approved. Processes for evaluating performance against those plans will have to be implemented. Work processes will have to be realigned to reflect the new responsibilities of the various sub-units of the Sector. This is a daunting agenda but ATR is committed to working with the staff of FTPS to complete this task.

In conclusion, I would like to express the appreciation of the ATR team for the assistance that we have received from all of the staff of FTPS in our joint effort to reengineer the Sector. In particular, I would like to express my appreciation to Mr. Said Abu Komsan, the First Undersecretary of FTPS, for his guidance in our work and to Mr. Abd El Rahman Fawzy, the First Undersecretary of Trade Agreements Sector for his tireless effort to provide insight into the workings of FTPS, the Ministry, and the Egyptian government. Without the input of these two individuals, this document could not have been completed.

I would also like to express my appreciation for the hard work of Mr. Rasik Joshi and Mr. Abdel Wahab Heikal for their efforts in this area. It has only been through the application of their skills and knowledge that this process has been brought as far as it has and it will only be through their efforts that the hard work of implementation will be completed.

Timothy S. Buehrer
Chief of Party, Assistance for Trade Reform
30 September 2003

PROPOSED ORGANIZATIONAL STRUCTURE AND MANAGEMENT SYSTEM FOR THE FOREIGN TRADE POLICIES SECTOR (FTPS)

SUMMARY

1. Introduction

The proposals on the overall management system and organizational structure are part of the ATR effort to develop strategic institutional capabilities within FTPS. The institutional development proposals focus on three key areas.

- (i) developing strategic vision relating to long term mission, objectives and functions of FTPS, which reflect current strategies, policies and priorities of MoFT;
- (ii) providing an organizational framework within which FTPS can effectively plan, direct and coordinate its wide ranging policy and law enforcing functions; and
- (iii) strengthening management and operational capabilities within FTPS through introduction of effective management systems and modern information technologies to improve overall performance of FTPS.

2. Summary of Key Areas of Improvement

These proposals are based on the approved long term mission and objectives of FTPS and the detailed statement of functions.

(a) Strengthening FTPS Strategic Management Capabilities

- Long term **strategic mission and objectives** of FTPS, which reflect the current policies and priorities of the MoFT, have been defined and approved (see **Annex A**). **The Functions** which FTPS must undertake to achieve these objectives are redefined and approved (see **Annex B**). Functions are homogeneously grouped to avoid overlaps, facilitate smooth inter-action and achieve operational efficiency.
- **FTPS Management concept** is introduced to facilitate overall planning and direction, setting performance targets and standards, developing middle management leadership, building team approach, resource budgeting, etc.
- An **organizational structure** in which line and staff functions are clearly demarcated, which provides a sound framework for effective direction, coordination and integration of functions, with unambiguous reporting relationships and communication flow is proposed.
- **Human resource utilization and development** are to be improved through clear job descriptions and need based critical knowledge and skills development programs.
- The proposals are based on sound **guiding principles and vital considerations** which influence organizational performance of FTPS.

(b) Improving FTPS Operational Efficiency

- Central/General **Departments will have clarity of their objectives and functions** and operate according to **annual work plans, performance targets and standards**. Work plans will be systematically reviewed and monitored.
- Role and scope of **FTPS Field Offices are strengthened** to enable them to deal with most of the routine export and import related matters at local level thus better serving the needs of local trading communities. More decision making authority to be delegated at field level and field offices should be staffed by experienced and qualified professionals.
- **Modern information technologies be introduced rapidly and systematically** to improve efficiency of foreign trade policy analysis and research activities as well as for improving effectiveness and efficiency of various operational processes of foreign trade policies administration. Operational processes to be simplified and documented.

(c) FT Policies Coordination, Review and Revision

- With a view to effectively coordinate foreign trade policies related matters at inter and intra-ministerial levels and to actively involve private and non-governmental agencies in policy reviews, a high level inter-ministerial **Foreign Trade Policies Committee**, under the Chairmanship of the Minister of Foreign Trade, is proposed.
- The critical role of **foreign trade policies analysis and research** related functions and capabilities are recognized. A new central department of Research and Evaluation of Trade Policies is proposed.

3. The Key Merits of O&M Proposals

- The long term strategic vision and functions of FTPS focusing on its role of administering foreign trade policy instruments for economic development through liberalization and expansion of foreign trade have been redefined.
- The structural arrangement will enable FTPS to effectively coordinate and integrate its head office and field office functions and facilitate smooth flow of communication; routine operational decision making will be decentralized to field offices to provide better services to local business community.
- Proposed Foreign Trade Policies Committee will provide mechanism for effective coordination of policy matters with other sectors, ministries and business organizations.
- Work processes within FTPS will be streamlined to improve operational efficiency of FTPS
- Introduction of system of work planning, performance criteria and evaluation will greatly enhance overall efficiency of FTPS.

4. Proposed Organizational Arrangement:

In order to select the most appropriate organizational structure that would enable FTPS to effectively plan, direct and co-ordinate its policy and statutory functions, three alternatives have been developed in the main report. For each alternative, key features are described and merits and demerits have been high-lighted.

4.1 The Current Structure (see Annex C)

The structure of FTPS has been evolving over a long period. While the basic functions of FTPS have, in essence, remained the same many changes have taken place in foreign trade related policies, priorities and strategies. The current organizational arrangement of FTPS came into effect on July 4, 2002 through Ministerial Decree # 411. The decree specified four central departments and sixteen general departments and general outline of functions under each. The merits and demerits of the current structure:

Merits:

- This is an arrangement formally authorized by the Minister under the Ministerial Decree # 411 of 2002.
- This arrangement is working. It has been operation since July 2002.
- The overall structure is compact; the span of control of four central departments and three to five general departments per central department make the structure trim; on chart reporting relationships are clear.

Demerits:

- The functions and structure of FTPS have evolved over a period and it seems there are no clearly defined long term mission and objectives of FTPS.
- Functions seem to be grouped to meet the changing needs and circumstances; in some areas they are not homogenously grouped, for example there is no clarity regarding how the functions under Central Department of Import and Export Policies relate to functions under the Central Department of International Trade Policies; how the functions of international trade policies relate to the functions of Trade Agreements Sector, etc.
- Functions pertaining to overall (corporate) management of FTPS, such as overall planning and direction, mechanism for internal and external coordination, budgeting and management of human and other resources within FTPS, liaison with public, monitoring and evaluation of overall FTPS performance, etc. are not clearly defined nor assigned. For example there is a Department of Organization and Management with no clearly defined functions and no staff.
- There is scope for delegating decision making authority to FTPS field offices to enable them to make local decisions on a variety of operational issues. Strengthening their capabilities will reduce delays in operational decision making and better serve the local trading community.
- Functions relating to foreign trade policies research and analysis need strengthening.

4.2 Proposed Structure: (See Annex H)

FTPS functions are grouped according to its major operational areas. It attempts to strengthen capabilities in areas of trade policies, development of capabilities in foreign trade policies analysis and research, and providing institutional framework for foreign trade development through public participation and involvement of private and non-governmental sectors. It consolidates all functions pertaining to FTPS management, information technologies and strengthens field offices and proposes a high level inter-ministerial policy committee and an internal FTPS management committee. As a further refinement FTPS functions are divided into two Line functions and Staff.

Merits:

- The structure is based on approved mission, objectives and functions of FTPS and the functions are logically grouped reflecting the key objectives of FTPS.
- The span of control of the structure with three central departments is trim and compact for effective coordination. Detailed definition of objectives and functions of the central departments including determination of nature and volume of work load will determine type and number of general departments under each central department.
- The critical role of foreign trade policies analysis and research related functions and capabilities are recognized. A new central department of Research and Evaluation of Trade Policies is proposed.
- Role and scope of FTPS Field Offices are strengthened to enable them to deal with most of the routine export and import related matters at local level thus better serving the needs of local trading community more effectively.
- With a view to effectively coordinate foreign trade policies related matters at inter and intra-ministerial levels and to actively involve private and non-governmental agencies in policy reviews, a high level inter-ministerial Foreign Trade Policies Committee, under the Chairmanship of the Minister of Foreign Trade, is proposed. The importance of strengthening strategic management capabilities within FTPS has been recognized. The management related functions are grouped under FTPS Management, reporting to the First Under Secretary.
- To facilitate effective overall coordination and communication flow and to develop a team work approach within the FTPS, a high level FTPS Management Committee is proposed.
- For effective introduction of modern information technologies, a distinct IT focal point is created reporting directly to the head of FTPS.
- The matrix arrangement will enable FTPS management to focus sharply on its primary functions and thus be able to achieve its mission and objectives more effectively and expeditiously.
- The arrangement will also enable the technical support services to develop specialization needed to better serve the line functions and thus be able to provide specific need based support (through close interaction and reporting system) to heads of line functions.

Demerits

- This is a new structure and will have to be systematically and timely implemented before its benefits are fully realized.
- While grouping of functions according to the key objectives of FTPS is logical it may lead some imbalance in distribution of work load and there may some practical hitches since foreign trade policies formulation, administration and evaluation are often closely interwoven.
- The proposed restructuring is a major change process, both in terms of staff realignment as well as in operational processes. This change process will have to be managed systematically and with commitment and leadership.
- The introduction of matrix structure arrangement will require a transition period during which the concept will have to be properly explained and its operations given time to stabilize.

5. RECOMMENDED STRUCTURE OF FTPS

On the basis of the foregoing details as well as systematic analysis of merits and demerits of each alternative proposed in the main report, it is recommended that the structure as shown in Annex H be adopted for immediate implementation.

6. IMPLEMENTATION AND MANAGING THE CHANGE PROCESS

The proposals and their implementation were extensively discussed during a special workshop organized for the senior executives of FTPS. Many useful refinements were made which are incorporated in this report. Introducing the proposed organizational changes through which major performance improvement can be achieved within FTPS, will not be an easy process. It is recommended that a special task force under the leadership of Head of FTPS be established to ensure that these innovations are systematically and timely implemented.

Rasik Joshi, Institutional Development Specialist
Abdel Wahab Heikel, Trade Policy Specialist
ATR Project
September 30, 2003

Ref: FTPS O&M Report Summary Sept. 30, 2003- RPJ ix.30.2003

TABLE OF CONTENTS

	Introduction	i
	Summary of Proposals	iii
	Table of Contents	vi
1.	FTPS Organization and Management: Guiding Principles	1
2.	FTPS Organization and Management: Vital Considerations	2
3.	Proposed Grouping of FTPS Functions	3
4.	Proposed FTPS Organizational Structure and Management System	7
4.1	The Current Arrangement	7
4.2	Alternative 1 – Objectives Oriented Structure	9
4.3	Alternative 2 – Structure based on Major Operational Areas	13
4.4	Alternative 3 – Line and Staff Functions – Matrix Structure	17
4.5	Recommended Structure	20
5.	Implementation and Managing the Change Process	20
	ANNEXES:	22
Annex A	Statement of Mission and Objectives of FTPS	23
Annex B	Statement of Functions of FTPS	26
Annex C	Current Organizational Structure of FTPS	31
Annex D	Foreign Trade Policies Committee (FTPC) – Terms of Reference	32
Annex E	FTPS Management Committee – Terms of Reference	34
Annex F	Alternative 1 – Objectives Oriented Structure of FTPS	36
Annex G	Alternative 2 – Structure Based on Major Operations of FTPS	37
Annex H	Alternative 3 – Matrix Structure of FTPS	38
Annex I	Distribution of FTPS Functions: Recommended Structure	39
Annex J	Central Department of Export and Import	43
Annex K	Central Department of Foreign Trade Policies	44
Annex L	Central Department of Commodity Councils and Small and Medium Enterprises (SMS)	45
Annex M	General Department of FTPS Management	46
Annex N	General Department of Information Technologies and Translation Services	47
Annex O	FTPS Field Office General Structure	48

Government of Egypt/USAID Assistance for Trade Reform (ATR) Project
MINISTRY OF FOREIGN TRADE (MoFT)

**DEVELOPING INSTITUTIONAL CAPABILITIES WITHIN
THE FOREIGN TRADE POLICIES SECTOR (FTPS)**

**PROPOSED ORGANIZATIONAL STRUCTURE AND
MANAGEMENT SYSTEM FOR
THE FOREIGN TRADE POLICIES SECTOR (FTPS)**

1. GUIDING PRINCIPLES

In designing proposals for developing institutional capabilities within the Foreign Trade Policies Sector, the following guiding principles have been observed.

- (a) **Prime Focus:** The primary objective of the management system and organizational structure will be to enable FTPS have an institutional framework which will enable it to effectively manage itself and carry out the multifarious functions assigned to it, and thus be able to achieve its mission, goals and objectives, efficiently and effectively. This objective has been the prime focus in these proposals.
- (b) **Mission, Objectives and Functions:** The long term mission and objectives of FTPS have been redefined to reflect the current policies, strategies and priorities of the Ministry of Foreign Trade. The statement has been approved by the Minister (**Annex A**). The functions that FTPS must undertake to achieve its mission and objectives have been defined and approved by the Minister for approval (**Annex B**). Grouping of these functions, their distribution and coordination form the primary basis for developing organizational structure proposals for FTPS. .
- (c) **Management Concepts and Socio-cultural Tenets:** The proposals for grouping the functions of FTPS, the manner in which they are distributed, coordinated and integrated, how authority for decision making is delegated, the flow of communication, as well as the reporting relationships, etc., are based in accordance with sound and pragmatic management and organizational principles and concepts, as well as recognition of appropriate Egyptian socio-cultural tenets and precepts.
- (d) **MoFT/GOE Policies and Strategies:** Every effort has been made to ensure that the mission and functions (approved by the Minister) and the proposed organizational structure and management system of FTPS, fully support the MoFT/GoE current foreign trade related policies, strategies, priorities and statutes.
- (e) **Orientation towards the MoFT goal of Foreign Trade Expansion and Trade Facilitation in the environment of liberal trade and economy:** The structure aims to enable FTPS to remain goal oriented in its pursuit of the expansion of foreign trade through policies of liberalized trade and economy. The grouping of functions and tasks and the manner in which they are distributed and coordinated will enable FTPS to play its role as enabler and facilitator for trade development and expansion. The structure will enable the FTPS to actively involve private sector and non-government agencies participate in the formulation, administration and evaluation of foreign trade related policies and strategies.

- (f) **Accountability and Transparency:** In keeping with the GoE/MoFT objective to keep the overall government machinery transparent, accountable and efficient, the proposed organizational structure and related management systems and practices, aim to enable FTPS to fully meet this objective. The clarity of functions assigned to various departments and delegation of decision making authority embody the requirement of accountability for results. The clarity of mission and functions of FTPS, the manner in which functions are distributed, the job descriptions to be developed for all levels of staff and the effort extended to involve public and private sector organizations in various policy making processes through committees of FTPS, are examples of transparency of FTPS management. The proposals aim to make FTPS a model of excellence in discharging the vital responsibilities assigned to it and in managing itself.

2. VITAL CONSIDERATIONS

The proposals on developing organizational and management capabilities within FTPS also take into full account the following vital considerations.

(a) **Statutory Responsibilities of the Ministry of Foreign Trade**

Full recognition has been accorded to the responsibilities placed on the Ministry of Foreign Trade by the relevant statutes, decrees and regulations. Regard has been taken of the importance and sensitivity attached to the functions of formulating, administering and evaluating foreign trade policies and strategies. It is recognized that foreign trade functions are governed by international conventions and agreements. FTPS has to operate within the norms and standards of these international agreements and protocols. It is also appreciated that foreign trade forms a corner stone of national socio-economic development.

(b) **Soundness and Clarity of FTPS Mission, Objectives and Functions**

It is recognized that the proposed organization structure will provide an appropriate framework within which the functions assigned to FTPS will be carried out. If the functions are not appropriate and relevant to the mission and objectives of FTPS, the restructuring of FTPS, per-se, will not bring about, the realization of the MoFT/GoE mission and goals; nor will it make FTPS of MoFT more effective. Great care has therefore been exercised in redefining mission, objectives and functions of FTPS.

(c) **Middle Management Development**

It is recognized that the overall responsibility for managing FTPS, in terms of achieving its mission and objectives through optimal use of resources allocated to it, vests on the First Under-secretary and his top management team. The proposals recognize this crucial role of top management and aim to further strengthen this role. To enable the top management team to focus on policy and strategic planning responsibilities, the structure proposes delegation of decision making authority on operational matters to heads of central and general departments. The proposals put great emphasis on the need to develop middle management capabilities within the FTPS.

(d) **Top Management Role**

In the final analysis the combined capabilities of top management team is reflected in the overall performance of FTPS. It is the responsibility of top management team to translate FTPS functions into tangible results; to set performance targets and standards and mobilize human and other resources to achieve its mission and objectives. The proposals take this role of top management into full consideration and aim to develop FTPS structure as well as its management system to enable top management effectively play this role.

(e) Role of Heads of Central and General Departments: Implementation of Policies

In the structure of FTPS, Heads of Central and General Departments provide a critical link between the top management and operational activities. While the responsibility for policies, strategies and overall direction are vested in the top management team, heads of central and general departments ensure that these policies and strategies are effectively implemented at operational level. They serve as primary implementation centers, responsible for all professional, technical and operational activities of FTPS at ground level. They are accountable for the final results produced through operations carried out at field level where day-to-day contact is maintained with importers and exporters and business community in general. In the proposed arrangement, adequate decision making authority is to be delegated to the Heads of Central and General Departments to enable them to make most of the operational level decisions on the basis of guidelines provided by the top management of FTPS. They will have flexibility needed to make professional, technical and administrative decisions relating to the areas of their responsibilities. Only critical aspects and major issues will be referred to the First Under Secretary.

(f) Performance Monitoring and Evaluation

FTPS is a vital sector within the MoFT, both in terms of the policy and strategy related responsibilities for foreign trade, as well as in terms of the scale, magnitude and complexity of foreign trade related operational activities which directly affect the trading community. Mechanisms are to be established within FTPS for regular and systematic monitoring and evaluation of its performance and to assess the strategic impact of its activities. The structure proposes top level management and technical committees and introduces an effective system of evaluating overall performance of FTPS.

(g) FTPS Management

The proposals pay particular attention to the need for strengthening management capabilities within FTPS in the fields of strategic planning, organization and management, management of resources (human, finance, supplies, records and information, transport and equipment, etc.) There is need for greater awareness regarding management functions and creating a focal point for all management related functions of FTPS. In this regard, it is proposed that the concept of corporate management should be introduced in FTPS. The FTPS Management will be directly under the First Under Secretary and will be responsible for, in addition to strategic organizational and management planning, also for developing annual work plans, allocation of resources, establishing performance standards and targets and ensuring that high performance standards are achieved and maintained

(h) Optimal Development and Deployment of Human Resource

The proposals also take into particular account the paramount importance of optimal development and deployment of existing human resources within FTPS. It is through proper development and deployment of human resources, (use of their professional, technical and managerial knowledge, experience and skills), that FTPS can expect to carry out its functions and achieve its objectives. The proposed restructuring takes this requirement into full account.

3. PROPOSED GROUPING OF FTPS FUNCTIONS

The approved FTPS functions, thirty eight in number, are described in **Annex B** to this proposal. As a preliminary to developing organizational structure for FTPS it is necessary to group these major functions into homogeneous clusters. This will ensure that like functions are grouped together, there are no overlaps and effective coordination and coherence are achieved. Logical grouping of functions and assessment of their nature, scope and work load will also assist in determining their organizational nomenclature, such as department, general

department, etc. Grouping of functions will form the building blocks for designing organizational structure of FTPS. The following four major grouping are proposed.

3.1 The Current Arrangement

Under this group the existing functions of FTPS are arranged according to the Ministerial Decree # 411 of July 4, 2002. This is the current arrangement and consists of the following four key areas:

- (a) Import and Export Policies related functions, covering: Import policies; Export Policies; Expert Advice and Cases; Finance and Export Guarantee.
- (b) Foreign Trade Policies related functions, covering: Safeguards and Injury Calculations; Subsidy and Countervailing; Anti-dumping; Trade Remedies.
- (c) Commodity Councils and S&M Enterprises related functions, covering: Trade Councils; Customs Clearance Matters; S&M Enterprises
- (d) Foreign Trade Sector Field Services related functions, covering: Cairo Airport; Alexandria Port, Suez Port, Port Said, Damietta Port
- (e) FTPS Head Office and Office of the First Under Secretary related functions, covering: Legal Services; Finance and Administration; Security Services; Organization and Management; Office of the First Under Secretary; Cotton Exporters Federation; Cotton Affairs Research and Studies; etc.

3.2 Grouping Functions according to the key Objectives of FTPS

Under this group the redefined thirty seven functions of FTPS (see **Annex B**) are grouped according to the key objectives of FTPS (see statement of Mission and Objectives of FTPS at **Annex A**) and consist of the following four major areas:

- (a) Foreign Trade Policies Initiation/ Formulation related functions, covering:
Foreign Trade Policies/Operations Data Base (F.01); Foreign Trade Policies Analysis, Research and Reports (F.02); Formulation/initiation of Policy Proposals/amendments, etc.(F.03); Liaison with Foreign Trade Policies related Institution. (F.04); Policy Analysis and Research Capabilities building (F.05); International Trade related developments (F.06); Infrastructure for trade development and removal of trade impediments (F.07).
- (b) Foreign Trade Policies Administration related functions, consisting of the following:
Foreign Trade Policies Laws and Regulations Data Base (F.08); Systems and Procedures for Foreign Trade Policies Administration (F.09); Administration and Harmonization of Trade Agreements with trade policies (F.10); Liaison with Customs and other foreign trade related agencies (F.11); Oversee Implementation of Foreign Trade Laws and Regulations (F.12); Policy aspects of fully safeguarding Egypt interests (F.13); Advise Minister on action for violation of trade laws (F.14); FTPS field offices operations and strengthen capabilities (F.15); Trade Facilitation Services and Customs Clearance matters (F.16)
- (c) Foreign Trade Policies Research and Evaluation related functions, covering:
Periodic Evaluation of foreign trade policies (F.17); Feed-back on current policies from trading communities (F.18); Specific studies on foreign trade related matters (F.19);

Criteria for effectiveness of foreign trade policies (F.20); Research programs and liaison with related agencies (F.21); Dissemination of research results(F.22).

(d) Public Participation in Foreign Trade Matters related functions, covering:

Public Participation in Foreign Trade Policies (F.23); Trading Community Participation in Foreign Trade Policy matters (F.24); Commodity Councils and similar organizations (F.25); Small and Medium Enterprises (F.26); Public awareness campaign (F.27)

(e) FTPS Management

Awareness regarding FTPS objectives, functions and services (F.28); FTPS Annual Work Plans (F.29); FTPS Performance Criteria and Standards (F.30); Introduction/management of Modern Information Technologies (F.31); FTPS Annual Budget Management (financial, staffing, etc.) (F.32); FTPS Admin and logistical services and systems and methods (F.33); Development of FTPS management capabilities (F.34); FTPS Legal Services (cases, legal advice, drafting, etc.) (F.35); FTPS Public Liaison Services (press, media, publicity, etc.) (F.36); Implementation of ATR approved proposals (F.37)

3.3 Grouping by Major Functional Areas

Under this group the same thirty seven major functions of FTPS (**see Annex B**) are arranged according to the key activities and operational fields of FTPS, and cover the following areas:

(a) Foreign Trade Policies and Laws Administration related functions, covering:

Systems and Procedures for FT policies administration (F.09); Investigations and research into trade practices (F.10); Liaison with Customs and other foreign trade related agencies (F.11); Implementation of FT laws, decrees and regulations (F.12); Policy aspects of Safeguarding Egypt interests (F.13); Advice Minister on Actions for Violation of trade laws (F.14); FTPS Field Offices Operations and strengthen capabilities (F.15); Trade Facilitation services and Customs clearance related matters (F.16)

(b) Foreign Trade Policies: Research, Review and Revision related functions, covering:

Data base for FT policies, laws, decrees and regulations (F.01); FT policies analysis, research and reports (F.02); Initiation/formulation of FT policy proposals and amendments (F.03); FT policies analysis and research capabilities development (F.05); International trade development trends and issues (F.06); Evaluation of FT policies: system, criteria and results (F.20); FT Policies Research Programs and liaison (F.21); Dissemination of FT analysis and research results and report (F.22) .

(c) International Trade Policies: related functions, covering: FT Policies and trade agreements harmonization (F.10); Trade liberalization policy, issues and related matters (F.3,7); Policies relating to WTO compliance and related matters (F.3,7); Expert Advice and Cases (F.14); Policy aspects of Safeguards including Trade Remedies (F.13); FT policies and agreements related legal matters (F. 11).

(d) Foreign Trade Development: S&M Enterprises, Commodity Councils, etc. related functions, covering: Foreign trade development related policy matters (F.3,20,27); Public participation in FT policies formulation and administration (F.24); FT policies: Trading Communities participation (F.25); Commodity councils and similar organizations (F.26); Small and Medium Enterprises (F.27); Finance and Export Guarantee (F.27).

- (e) FTPS Management related functions, covering: FTPS Corporate Strategy, Management and Organization (F.28); FTPS Annual Work Plans and Evaluation (F.29); FTPS Performance Criteria and Standards (F.30); FTPS Modern Information Technologies development (F.31); FTPS Annual Budget Management (financial, staffing, etc.) (F.32); FTPS Legal Services (cases, expert advice, drafting, etc.) (F.33); FTPS Administrative and Logistical services and systems (F.34); Development of Management and Human Resource Capabilities (F.35); FTPS Public Liaison Services (press, media, publicity, etc.)(F.36); Implementation of ATR approved proposals (F.37)

3.4 Grouping Line and Staff Functions and Matrix Arrangement

Under this group the same thirty seven major functions of FTPS (see **Annex B**) are arranged into two major categories: (i) Line (primary or mission related) Functions, and (ii) Staff (service or support) functions. This grouping will facilitate development of a structure in which FTPS management can focus sharply on primary functions to achieve its mission and objectives. The arrangement will also enable management to strengthen support services.

FTPS Line Functions cover the following four major areas:

- (a) Foreign Trade Policies and Laws Administration related functions, covering:
Systems and Procedures for FT policies administration (F.09); Investigations and research into trade practices (F.10); Liaison with Customs and other foreign trade related agencies (F.11); Implementation of FT laws, decrees and regulations (F.12); Policy aspects of Safeguarding Egypt interests (F.13); Advice Minister on Actions for Violation of trade laws (F.14); FTPS Field Offices Operations and strengthen capabilities (F.15); Trade Facilitation services and Customs clearance related matters (F.16)
- (b) Foreign Trade Policies: Research, Review and Revision related functions, covering:
Data base for FT policies, laws, decrees and regulations (F.01); FT policies analysis, research and reports (F.02); Initiation/formulation of FT policy proposals and amendments (F.03); FT policies analysis and research capabilities development (F.05); International trade development trends and issues (F.06); Evaluation of FT policies: system, criteria and results (F.20); FT Policies Research Programs and liaison (F.21); Dissemination of FT analysis and research results and report (F.22) .
- (c) International Trade Policies: related functions, covering: FT Policies and trade agreements harmonization (F.10); Trade liberalization policy, issues and related matters (F.3,7); Policies relating to WTO compliance and related matters (F.3,7); Expert Advice and Cases (F.14); Policy aspects of Safeguards including Trade Remedies (F.13); FT policies and agreements related legal matters (F. 11).
- (d) Foreign Trade Development: S&M Enterprises, Commodity Councils, etc. related functions, covering: Foreign trade development related policy matters (F.3,20,27); Public participation in FT policies formulation and administration (F.24); FT policies: Trading Communities participation (F.25); Commodity councils and similar organizations (F.26); Small and Medium Enterprises (F.27); Finance and Export Guarantee (F.27).

FTPS Technical/Staff/Service Functions cover the following three major areas:

- (a) FTPS Information Technologies and Institutional Memory (F.31) related functions covering: Information Technologies development, maintenance and management;

Electronic Research Center; Data management; Programs and software; computer hardware; IT human resource capabilities, etc.

- (b) FTPS Legal Services (F.33) related functions, covering: Legal Drafting; Cases and Expert Advice; Legal Matters, etc.
- (c) Management of FTPS related functions, covering: FTPS Corporate Strategy, Management and Organization (F.28); FTPS Annual Work Plans and Evaluation (F.29); FTPS Performance Criteria and Standards (F.30); FTPS Annual Budget Management (financial, staffing, etc.) (F.32); FTPS Admin and Logistical services and systems (F.34); Development of Management and Human Resource Capabilities (F.35); FTPS Public Liaison Services (press, media, publicity, etc.) (F.36); Implementation of ATR approved proposals (F.37)

4. PROPOSED FTPS ORGANIZATIONAL STRUCTURE AND MANAGEMENT SYSTEM

4.1 THE CURRENT ARRANGEMENT

The current structure of FTPS which came into operation following the Ministerial Decree 411 of July 4, 2002. The current structure is operational and is, to some extent, serving the needs of FTPS. There are, however, a number of aspects within the current arrangement, such as clarity of objectives and functions, distribution and coordination of functions, clarity of distinction between policy review and reforms v/v policy administration, effectiveness of management practices and a focal point for overall FTPS management, policies research, delegation of authority to FTPS field offices, etc., which have scope for considerable improvement. The current arrangement of grouping of functions, their coordination, information flow and reporting relationships, as well as merits and demerits of the current arrangement, are described below. Understanding of the current arrangement serves the purpose of comparing the current situation with the improvements proposed.

(a) Key Functional Groups – Central Departments

Under the current structure of FTPS, as announced through Ministerial Decree # 411 of 2002, the key functions of FTPS are grouped under four central departments as follows:

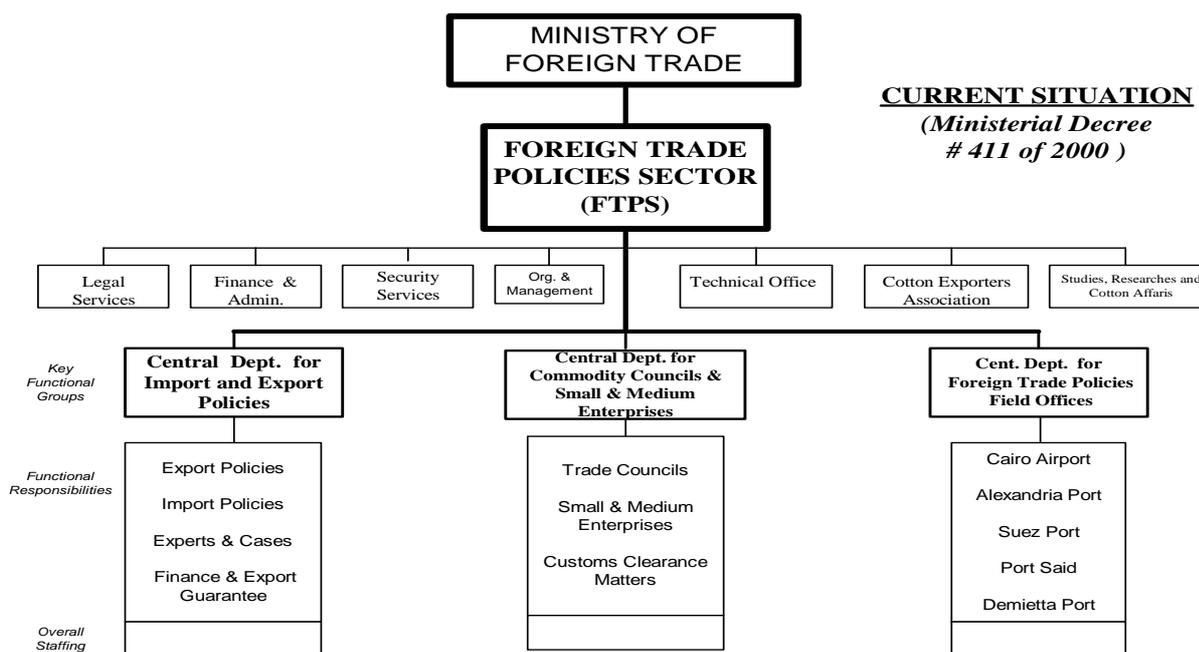
- (i) Central Department of Import and Export Policies is responsible for planning and coordination of functions pertaining to administration of import and export policies and related laws, regulations and decrees. It also covers aspects of legal cases and advice as well as finance and export guarantee related matters.
- (ii) Central Department of International Foreign Trade Policies is responsible for planning and coordination of functions pertaining to safeguards and injury calculations, subsidy and countervailing duties, as well as anti-dumping and other trade remedies related matters.
Note: With formal establishment of Trade Agreements Sector (TAS), which came into effect through Ministerial Decree # 226 of 2003 (May 19, 2003), the Central Department of International Foreign Trade, and related functions, have moved to TAS.
- (iii) Central Department of Commodity Councils and Small and Medium Enterprises is responsible for planning and coordination of functions relating to trade councils, customs clearance related matters, as well as small and medium enterprises.
- (iv) Central Department of FTPS Field Services is responsible for coordinating functions of FTPS field offices in Cairo Airport, Alexandria Port, Suez Port, Port Said and Damietta Port.

(b) Corporate (overall head office) Functions of FTPS under the current arrangement include legal services, finance and administration, organization and management, technical office of the First Under Secretary, public relations, Cotton Exporters Federation, Cotton affairs studies and Research.

(c) Management System and Coordination and Communication Flow: Under the current arrangement the First Under Secretary, Head of FTPS, reports directly to the Minister and liaises closely with heads of other sectors of MoFT. The heads of the four central departments of FTPS report directly to the First Under Secretary. The heads of corporate office functions also report directly to the First Under Secretary. Heads of central departments supervise and coordinate functions of a total of sixteen general departments as prescribed in the Ministerial Decree # 411 of 2002. Heads of general departments coordinate the functions distributed to departments and sections under their supervision. Heads of Central Departments liaise with heads of Legal Department and Finance and Administration Department.

(d) The Structure:

The current structure of FTPS, showing the major grouping of functions, reporting relationships and communication flow, as well as coordination and span of control, are depicted below in the form of an organization chart and at **Annex C:**



Ref. FTPS O&M Proposals Annex III - Current Structure - RPJ - vi.30.2003

(e) Merits and Demerits of Current Structure: The merits and demerits of the current structure are summarized below:

Merits:

- This is an arrangement formally authorized by the Minister under the Ministerial Decree # 411 of 2002.
- This arrangement is working; has been in practice since July 2002.

- FTPS has, at the apex, sound leadership and effective management team.
- The overall structure is compact; the span of control of four central departments and each central department coordinating between three to five general departments make the structure trim; on chart the reporting relationships are clear.

Demerits:

- The structure has evolved over a period and it seems there are no clearly defined and formally approved long term mission and objectives of FTPS. Ministerial Decree 411 of July 4, 2002 spells out clearly the central and general departments but seems to be silent on objectives and functions.
- The functions have also evolved over a period and seem not to be formally defined; it is not clear whether they fully reflect current policies and priorities of the MoFT or are in line with objectives and mission of FTPS.
- Functions seem to be grouped on the basis of changing needs and circumstances; in some areas they are not logically bunched to form homogenous groups; for example there is no clarity regarding how functions under Central Department of Import and Export Policies relate to functions under the Central Department of International Trade Policies; how the functions of international trade policies relate to the functions of Trade Agreements Sector, etc.
- The structure has, as prescribed in the decree, a number of general departments under each central department and a number of departments under each general department. It is not clear whether these levels and spread can be justified and substantiated in terms of nature, complexity and volume of work load to be transacted on a regular basis within FTPS.
- Functions pertaining to FTPS overall (corporate) management, such as overall planning and direction, performance targets and standards, mechanism for internal and external coordination, budgeting and management of human and other resources within FTPS, public relations, monitoring and evaluation of overall FTPS performance, leadership and team work approach, etc. are not clearly defined nor assigned. For example there is a Department of Organization and Management with no clearly defined functions and no staff.
- FTPS field offices serve as FTPS representatives at port level and are constantly liaising directly with FTPS head office on all operational issues. There is need to delegate authority to enable field offices make local decisions on a variety of operational issues. For this purpose there is need to strengthen their capabilities, reduce delays in operational decision making and better serve the trading communities at local level.
- There is conspicuous absence of any function relating to trade policies research and analysis within the current structure; research is an essential prerequisite for effective policy formulation and administration.
- The structure, in absence of detailed statement of functions, does not facilitate effective deployment of human resources and preparation of job descriptions and job specifications.

4.2 ALTERNATIVE 1 - OBJECTIVES ORIENTED STRUCTURE

Under this alternative the functions of FTPS are grouped along the lines of the objectives of FTPS, as recently approved by the Minister, (i.e. review and revision of policies, administration of policies, research and evaluation of policies and public participation in policy matters), and form the basis of the structure. The alternative also proposes a focal point for FTPS management related functions within the structure and introduces a number of measures to strengthen strategic management capability within FTPS. A distinct role of Information Technologies related functions is proposed. The alternative also proposes a high level management committee which will serve as a mechanism for effective coordination and decision making on management and technical matters which need top management consideration. The broad management system related proposals together with arrangement of grouping of functions, their coordination and reporting relationship, etc. as well as merits and demerits of the proposal are described below:

(a) Key Functional Groups – Central Departments

In this proposal, the functions of FTSP (see **Annex B**) are grouped according to the key objectives of FTSP and form the basis for the following four central departments:

(i) Central Department of Foreign Trade Policies Formulation will be responsible for analysis, review and revision of foreign trade related policies and will cover the functions pertaining to: Foreign Trade Policies/operations Data Base; Foreign Trade Policies Analysis and Research and reports; Formulation/initiation of policy proposals and amendments, etc.; Foreign Trade policies institutional liaison; Policy Analysis and research capabilities; International Trade related developments; Infrastructure for Removal of Trade Impediments.

(ii) Central Department of Administration of Trade Policies will be responsible for administering foreign trade policies and related laws and regulations, liaising with exporters and importers as well as Customs and other related agencies, and will cover the functions pertaining to: Foreign trade policies/regulations data base; Systems and procedures for foreign trade policies administration; Harmonization of trade agreements with trade policies; Liaison with Customs and other foreign trade related agencies; Implementation of foreign trade laws and regulations; Safeguarding Egypt socio-economic interests; Advice Minister on action for violation of trade laws; Liaison with FTSP field offices.

(iii) Central Department of Research and Evaluation of Foreign Trade Policies will undertake foreign trade policies related research covering various aspects influencing foreign trade and will be responsible for functions pertaining to: Periodic evaluation of foreign trade policies; Feedback on current policies from trading communities; Specific studies on foreign trade related matters; Criteria for effectiveness of foreign trade policies; Research programs and liaison with related agencies; Dissemination of research results.

(iv) Central Department of Public Participation in Foreign Trade Matters will be responsible for ensuring active involvement of private and non-governmental agencies in various aspects of foreign trade policies and will cover functions pertaining to: Concept and approach to public participation; Public awareness campaign; Commodity Councils and similar organizations; Small and Medium Enterprises.

(b) FTSP Management and Head Office Functions under this alternative will include the following:

(i) FTSP Management will be responsible for ensuring that FTSP as an entity is effectively managed and its operations result in the achievement of its mission and objectives. FTSP Management functions will include: FTSP Corporate Strategy, Management and Organization; FTSP Annual Work Plans and Evaluation; FTSP Performance Criteria and Standards; FTSP Annual Financial and Human Resource Budget; FTSP Administrative and Logistical services and related systems; Development of management and Human Resource Capabilities; FTSP Public Liaison Services (press, media, publicity, etc.); FTSP institutional development and implementation of ATR approved proposals.

(ii) Information Technologies and Institutional Memory and Translation Services, will be responsible for planning, development and management of information technologies within FTSP and will cover functions pertaining to data generation, analysis, storage, data processing, programming, computer software and hardware installation and maintenance, development and deployment of technical personnel, as well as management of these technical services.

(iii) Other Corporate Services Functions will include: Legal Services, Public Liaison Services and Publicity, Security, etc.

(c) Management System and Coordination of Functions

The following are the key features of this alternative.

(i) It is proposed that FTPS management capabilities, especially at middle level and in field operations, be strengthened considerably. For this purpose all management related functions be grouped under FTPS Management and be placed directly under the supervision of the First Under-Secretary. FTPS Management will be responsible for ensuring that FTPS, as an entity, is effectively managed and its operations result in the achievement of its mission and objectives. FTPS Management functions will include: FTPS strategic planning and direction; FTPS management and organization; FTPS annual work plans and evaluation; FTPS performance criteria and standards; FTPS annual financial, human and other resources budget; FTPS administrative and logistical services and related systems; development of management and human resource capabilities; FTPS public liaison services (press, media, publicity, etc.); FTPS institutional development and implementation of ATR approved proposals.

(ii) The First Under Secretary, Head of FTPS, will continue to report directly to the Minister, will liaise closely with heads of other sectors of MoFT and serve in various ministry and inter-ministerial committees as at the present. The heads of the four proposed central departments of FTPS will report directly to the First Under Secretary. The functions assigned to the central departments will be grouped into appropriate general departments and departments on the basis of nature, scope and complexity of recurring work load. Heads of Central Departments will liaise closely with heads of FTPS Management and Information Technologies and Institutional Memory and other head office services functions.

(iii) At corporate level the Heads of FTPS Management and Information Technologies will report directly to the First Under Secretary. They will develop an internal mechanism through which they will closely liaison with heads of all central departments and effectively serve their needs. Heads of other corporate services functions will also report directly to the First Under Secretary.

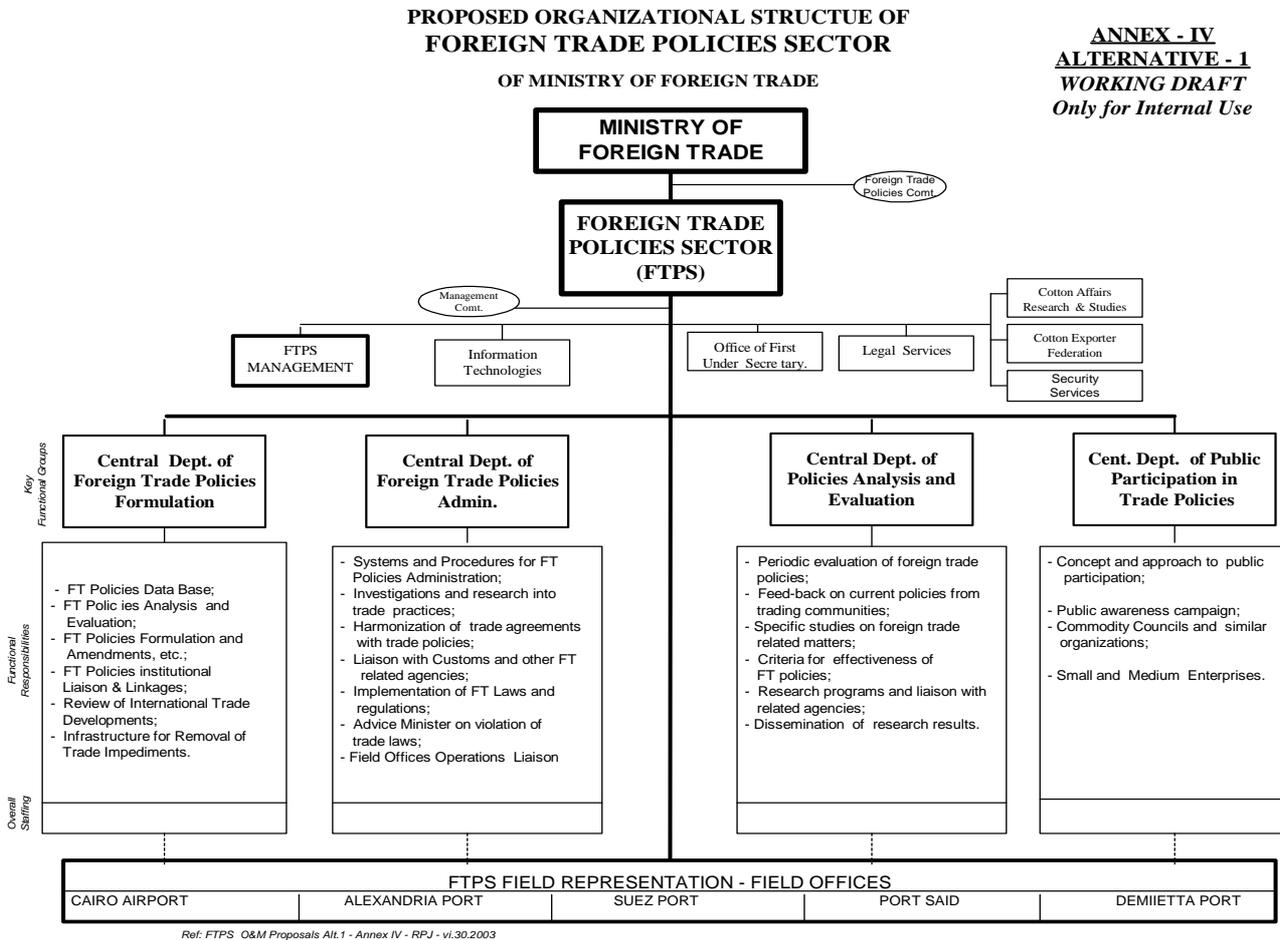
(iv) It is proposed that FTPS field representation be strengthened in terms of responsibilities assigned, authority delegated and staff and logistical support services. FTPS field offices should serve as full representative of FTPS at port level on all aspects of FTPS activities; be able to deal with a substantial amount of operational issues at local level and deal with most of the exporters and importers related matters locally. In order to do this duties and responsibilities assigned to field offices should be redefined and authority be delegated to make local decisions on most of the operational issues. These decisions should be along the lines of principles and procedures established by FTPS head office. To make this arrangement effective it is further proposed that heads of FTPS field offices should report direct to the First Under Secretary.

(v) With a view to coordinate foreign trade policies related matters at inter-ministerial level and to actively involve private and non-governmental sectors in policy reviews, a high level inter-ministerial **Foreign Trade Policies Committee**, under the Chairmanship of the Minister of Foreign Trade, is proposed. The terms of reference of the proposed committee are stated in **Annex D** to this proposal paper.

(vi) It is proposed that for effective overall coordination and communication flow and to build a strong team work approach for top level decision making on various foreign trade policies related operational matters as well as for overall FTPS management matters, a senior level **FTPS Management Committee** be established within FTPS. The terms of reference of this committee are stated in **Annex E** to this proposal paper.

(d) The Structure for Alternative One

Structure of Alternative One, showing the major grouping of functions, reporting relationships and communication flow, as well as level and span of control, are depicted below in the form of an organization chart and at **Annex F**



(e) Merits and Demerits of Alternative One

Compared the existing organizational arrangement, the proposed Alternative One has the following merits and demerits.

Merits:

- The structure is based on approved mission, objectives and functions of FTPS.
- The importance of strengthening strategic management capabilities within FTPS has been recognized. The management related functions are clearly defined, grouped under FTPS Management, reporting to the First Under Secretary.
- There is clear distinction of line and staff functions; the four central departments are responsible for the four major line functions and report directly to the Head of FTPS with adequate delegation of decision making authority. Staff functions pertaining to FTPS management, information technologies and provision of other support services are part of the corporate set up reporting to the First Under Secretary.
- For effective introduction modern information technologies, development of relevant technical skills and capabilities and to ensure these technical services are efficiently managed a distinct IT focal point is created reporting directly to the head

of FTPS.

- Role and scope of FTPS Field Offices are strengthened to enable them to be full representatives of FTPS at field level and be able to deal with most of the routine export and import related matters at local level thus serving the trading community more effectively.
- The critical role of foreign trade policies analysis and research related capabilities within FTPS is fully recognized. To that end functions pertaining to this role are clearly defined and grouped under a new central department of Research and Evaluation of Trade Policies.
- With a view to coordinate foreign trade policies related matters at inter-ministerial level and to actively involve private and non-governmental sectors in policy reviews, a high level inter-ministerial Foreign Trade Policies Committee, under the Chairmanship of the Minister of Foreign Trade, is proposed.
- To facilitate effective overall coordination and communication flow and to develop a team work approach within the FTPS, a high level FTPS Management Committee is proposed.
- The functions are logically grouped reflecting the key objectives of FTPS. The span of control of the structure with four central departments is trim and compact for effective coordination.

Demerits of Alternative One Structure

- This will be a new structure and will have to be tried out before its benefits are realized.
- While grouping of functions according to the key objectives of FTPS is logical it may lead to some practical problems because in real life policy formulation, administration and evaluation are often totally interwoven.
- The proposed restructuring is a major change process, both in terms of staff realignment as well as in operational processes. This change process will have to be managed systematically and with commitment and leadership.
- The Central Department of FT Policies administration may be relatively heavier in terms of nature and scope of functions compared to the other three central departments.

4.3 ALTERNATIVE TWO – BASED ON MAJOR OPERATIONAL AREAS OF FTPS

In this proposal the functions of FTPS are grouped according to its major operational areas. More emphasis has been placed on strengthening capabilities in international trade policies, developing foreign trade policies analysis and research capabilities and providing institutional framework for foreign trade development through public participation and involvement of private and non-governmental sectors in policy analysis and evaluation. This alternative retains FTPS management, information technologies related focal point as well as establishment of a top management committee proposed in Alternative One. The arrangement of grouping of functions, functions, coordination, information flow and reporting relationships, as well as merits and demerits of the proposed Alternative Two, are described below:

(a) Key Functional Groups – Central Departments

The following key FTPS operational areas are proposed as the four central departments of FTPS:

- (i) Central Department of Export and Import, will be responsible for administering foreign trade policies and related laws and regulations, liaising with exporters and importers as well as Customs and other related agencies. It will cover functions pertaining to: Foreign trade policies administration systems and procedures; FT operations: liaison with Customs; Investigations and research into trade practices; Implementation of FT laws, decrees and

regulations; Advice Minister on Actions for Violation of trade laws; Coordination of FTPS field operations and services; Safeguards and Injury calculations; Subsidy, countervailing and Anti-dumping; Trade Remedies and other related matters; Customs clearance related matters

(ii) Central Department of Foreign Trade Policies: Research, Review and Revision will be responsible for analysis, review and revision of foreign trade related policies as well as conducting foreign trade policies related research covering various aspects which influence foreign trade. It will cover functions pertaining to: Data base for FT policies, laws, decrees and regulations; FT policies analysis, research and reports; FT policies analysis and research capabilities development; International trade development trends and issues; Evaluation of FT policies: system, criteria and results; Initiation/formulation of FT policy proposals and amendments; Dissemination of FT analysis and research results and report.

(iii) Central Department of International Trade Policies will be responsible for all aspects of foreign trade policies related to international trade ensuring that trade policies and trade agreements are harmonized and effectively implemented. It will cover the following functions: FT policies and trade agreements harmonization; Trade liberalization policy, issues and related matters; Policies relating to WTO compliance and related matters; Expert Advice and Cases; FT policies and agreements related legal matters; Trade remedies and related matters.

Note: With formal establishment of Trade Agreements Sector (TAS), which came into effect through Ministerial Decree # 226 of 2003 (May 19, 2003), the Central Department of International Foreign Trade, and related functions, have moved to TAS.

(iv) Central Department of Foreign Trade Development: S&M Enterprises, Commodity Councils, etc., will be responsible for matters relating to policies related to foreign trade development and active involvement of private and non-governmental agencies in foreign trade policy matters. It will cover: Foreign trade development related policy matters; Public participation in FT policies formulation and administration; FT policies: liaison with trading communities; Small and Medium Enterprises; Commodity councils; Finance and Export Guarantee.

(c) **FTPS Corporate (head office) Functions** under this alternative include the following:

(i) FTPS Management will be responsible for ensuring that FTPS as an entity is effectively managed and its operations result in the achievement of its mission and objectives. FTPS Management functions will include: FTPS Corporate Strategy, Management and Organization; FTPS Annual Work Plans and Evaluation; FTPS Performance Criteria and Standards; FTPS Annual Financial and Human Resource Budget; FTPS Administrative and Logistical services and related systems; Development of management and Human Resource Capabilities; FTPS Public Liaison Services (press, media, publicity, etc.); FTPS institutional development and implementation of ATR approved proposals.

(ii) Information Technologies and Institutional Memory and Translation Services, will be responsible for planning, development and management of information technologies within FTPS and will cover functions pertaining to data generation, analysis, storage, data processing, programming, computer software and hardware installation and maintenance, development and deployment of technical personnel, as well as management of these technical services.

(iii) Other Corporate Services Functions will include: Legal Services, Public Liaison Services and Publicity, Security, etc.

(c) **Management System and Coordination of Functions**

(i) It is proposed that FTPS management capabilities, especially at middle level and in field operations, be strengthened considerably. For this purpose all management related functions

be grouped under FTPS Management and be placed directly under the supervision of the First Under-Secretary. FTPS Management will be responsible for ensuring that FTPS, as an entity, is effectively managed and its operations result in the achievement of its mission and objectives. FTPS Management functions will include: FTPS strategic planning and direction; FTPS management and organization; FTPS annual work plans and evaluation; FTPS performance criteria and standards; FTPS annual financial, human and other resources budget; FTPS administrative and logistical services and related systems; development of management and human resource capabilities; FTPS public liaison services (press, media, publicity, etc.); FTPS institutional development and implementation of ATR approved proposals.

(ii) The First Under Secretary, Head of FTPS, will continue to report directly to the Minister, will liaise closely with heads of other sectors of MoFT and serve in various ministry and inter-ministerial committees as at the present. The heads of the four proposed central departments of FTPS will report directly to the First Under Secretary. The functions assigned to the central departments will be grouped into appropriate general departments and departments on the basis of nature, scope and complexity of recurring work load. Heads of Central Departments will liaise closely with heads of FTPS Management and Information Technologies and Institutional Memory and other head office services functions.

(iii) At corporate level the Heads of FTPS Management and Information Technologies will report directly to the First Under Secretary. They will develop an internal mechanism through which they will closely liaison with heads of all central departments and effectively serve their needs. Heads of other corporate services functions will also report directly to the First Under Secretary.

(iv) It is proposed that FTPS field representation be strengthened in terms of responsibilities assigned, authority delegated and staff and logistical support services. FTPS field offices should serve as full representative of FTPS at port level on all aspects of FTPS activities; be able to deal with a substantial amount of operational issues at local level and deal with most of the exporters and importers related matters locally. In order to do this duties and responsibilities assigned to field offices should be redefined and authority be delegated to make local decisions on most of the operational issues. These decisions should be along the lines of principles and procedures established by FTPS head office. To make this arrangement effective it is further proposed that heads of FTPS field offices should report direct to the First Under Secretary.

(v) With a view to coordinate foreign trade policies related matters at inter-ministerial level and to actively involve private and non-governmental sectors in policy reviews, a high level inter-ministerial **Foreign Trade Policies Committee**, under the Chairmanship of the Minister of Foreign Trade, is proposed. The terms of reference of the proposed committee are stated in **Annex D** to this proposal paper.

(vi) It is proposed that for effective overall coordination and communication flow and to build a strong team work approach for top level decision making on various foreign trade policies related operational matters as well as for overall FTPS management matters, a senior level **FTPS Management Committee** be established within FTPS. The terms of reference of this committee are stated in **Annex E** to this proposal paper.

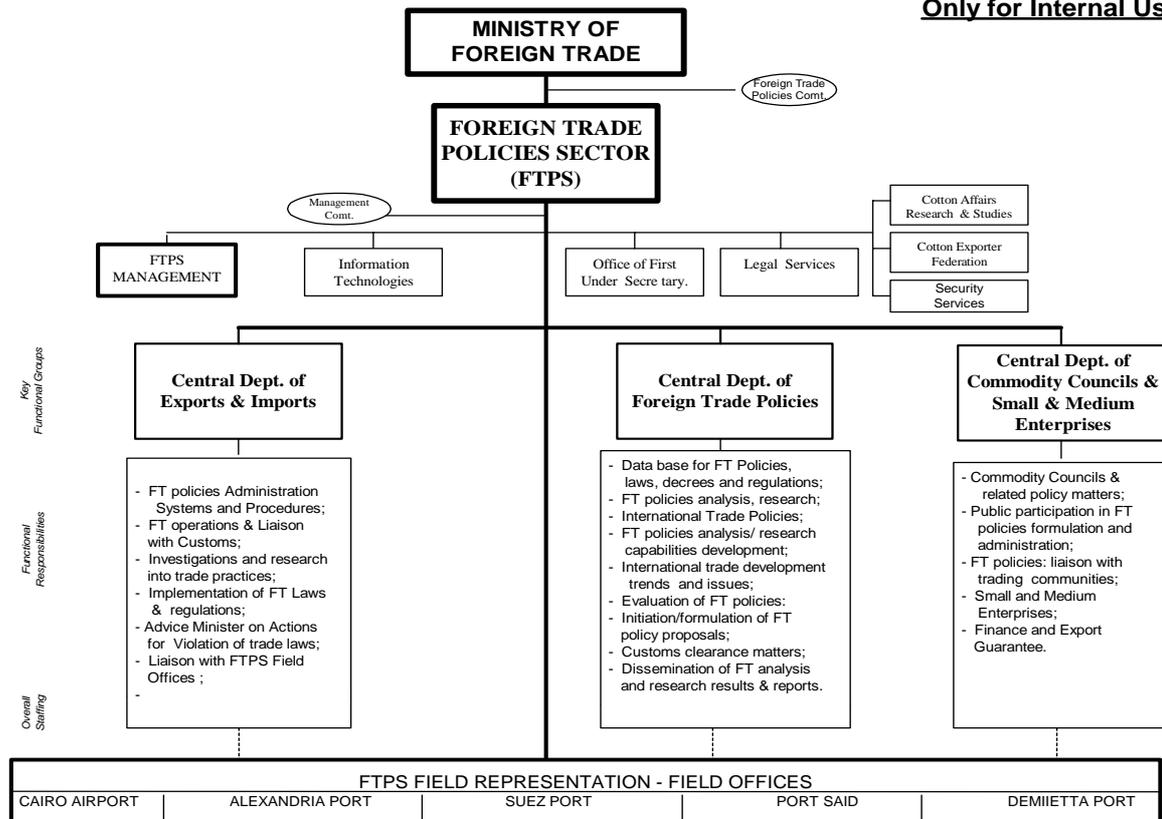
(d) The Structure for Alternative Two

Structure of Alternative Two, showing the major grouping of functions, reporting relationships and communication flow, as well as levels, is depicted below in the form of an organization chart and at **Annex G**

**PROPOSED ORGANIZATIONAL STRUCTURE OF
FOREIGN TRADE POLICIES SECTOR**

OF MINISTRY OF FOREIGN TRADE

**ALTERNATIVE - 2
Working Draft
Only for Internal Use**



(e) Merits and Demerits of Alternative Two

Compared with the existing organizational arrangement, the proposed alternative s two has the following merits and demerits.

Merits:

- The structure is based on approved mission, objectives and functions of FTSPS.
- The functions are logically grouped reflecting the key operational activities of FTSPS.
- This alternative focuses on the key operational areas of FTSPS and attempts to provide a structure in which these functions can be carried out effectively. The operational areas of administering FT policies and laws, research and revision of FT policies, harmonization of FT policies and trade agreements, FT development policies and active involvement of private and NGO sectors in FT policy matters, etc. receive direct attention.
- The span of control of the structure with four central departments is trim and compact for effective coordination.
- There is clear distinction of line and staff functions; the four central departments responsible for the four major line functions report directly to the Head of FTSPS with adequate delegation of decision making authority. Staff functions pertaining to FTSPS management, introduction of information technologies in FTSPS and provision of legal and other support services report directly to the First Under Secretary.
- The importance of strengthening strategic management capabilities within FTSPS has been recognized. The management related functions have been clearly defined, grouped and under FTSPS management, reporting to the First Under Secretary.
- Role and scope of FTSPS Field Offices are strengthened to enable them to be full representatives of FTSPS at field level and be able to deal with most of the routine export and import related matters at local level thus serving the trading community more effectively.

- With a view to coordinate foreign trade policies related matters at inter-ministerial level and to actively involve private and non-governmental sectors in policy reviews, a high level inter-ministerial Foreign Trade Policies Committee, under the Chairmanship of the Minister of Foreign Trade, is proposed.
- To facilitate effective overall coordination and communication flow within the FTPS and to build team work approach at top management level a senior FTPS Management committee is established.
- For effective introduction of modern information technologies, development of relevant technical skills and capabilities and to ensure these technical services are efficiently managed a focal point is proposed at corporate level.

Demerits

- This is a new structure and will have to be tried out before its benefits are realized.
- While grouping of functions according to key operational activities of FTPS is logical it may lead to some practical problems because in real life policy formulation, administration and evaluation are often closely interwoven.
- The proposed restructuring is a major change process, both in terms of staff realignment and in operational processes, as well in changing the mind-set of staff who have worked in the current arrangement for a very long time. This change process to succeed it will need top management commitment and leadership.

4.4 ALTERNATIVE THREE - LINE AND STAFF FUNCTIONS - Matrix Arrangement

(a) Key Functional Groups – Central Departments

This alternative proposes major innovation in the organizational planning of FTPS. In place of the traditional hierarchical command structure, this alternative proposes an arrangement in which major functions of FTPS are divided into two areas. (i) Line functions – those functions which are essential for attaining objectives and goals of FTPS. (ii) Staff functions – those functions which are supportive to the primary functions and provide technical services to enable line functions be carried out effectively. The line and staff functions of FTPS are grouped as follows:

FTPS Line Functions are grouped into the following central departments:

(i) Central Department of Export and Import will be responsible for administering foreign trade policies and related laws and regulations, liaising with exporters and importers as well as Customs and other related agencies. It will cover functions pertaining to: Foreign trade policies administration systems and procedures; FT operations: liaison with Customs; Investigations and research into trade practices; Implementation of FT laws, decrees and regulations; Advice Minister on Actions for Violation of trade laws; Coordination of FTPS field operations and services; Customs clearance related matters

(ii) Central Department of Foreign Trade Policies: Research, Review and Revision will be responsible for analysis, review and revision of foreign trade related policies as well as conducting foreign trade policies related research covering various aspects which influence foreign trade. It will cover functions pertaining to: Data base for FT policies, laws, decrees and regulations; FT policies analysis, research and reports; FT policies analysis and research capabilities development; International trade development trends and issues; Evaluation of FT policies: system, criteria and results; Initiation/formulation of FT policy proposals and amendments; Dissemination of FT analysis and research results and report.

(iv) Central Department of International Trade Policies will be responsible for all aspects of foreign trade policies related to international trade ensuring that trade policies and trade agreements are harmonized and effectively implemented. It will cover the following functions: FT policies and trade agreements harmonization; Trade liberalization policy, issues and related matters; Policies relating to WTO compliance and related matters; Expert Advice and Cases; FT

policies and agreements related legal matters; Trade remedies and related matters.

Note: With formal establishment of Trade Agreements Sector (TAS), which came into effect through Ministerial Decree # 226 of 2003 (May 19, 2003), the Central Department of International Foreign Trade, and related functions, have moved to TAS.

(iv) Central Department of Foreign Trade Development: S&M Enterprises, Commodity Councils, etc., will be responsible for matters relating to policies related to foreign trade development and active involvement of private and non-governmental agencies in foreign trade policy matters. It will cover: Foreign trade development related policy matters; Public participation in FT policies formulation and administration; FT policies: liaison with trading communities; Small and Medium Enterprises; Commodity councils; Finance/Export Guarantee.

FTPS Technical/Staff Functions:

(i) FTPS Management will be responsible for ensuring that FTPS as an entity is effectively managed and its operations result in the achievement of its mission and objectives. FTPS Management functions will include: FTPS Corporate Strategy, Management and Organization; FTPS Annual Work Plans and Evaluation; FTPS Performance Criteria and Standards; FTPS Annual Financial and Human Resource Budget; FTPS Administrative and Logistical services and related systems; Development of management and Human Resource Capabilities; FTPS Public Liaison Services (press, media, publicity, etc.); FTPS institutional development and implementation of ATR approved proposals.

(ii) Information Technologies and Institutional Memory and Translation Services, will be responsible for planning, development and management of information technologies within FTPS and will cover functions pertaining to data generation, analysis, storage, data processing, programming, computer software and hardware installation and maintenance, development and deployment of technical personnel, as well as management of these technical services.

(iii) Other Corporate (head office) Services Functions will include: Legal Services, Public Liaison Services and Publicity, Security, etc.

(b) Management and Coordination of Functions

(i) The management system and coordination related proposals made in Alternative Two regarding reporting relationships, introduction of FTPS management concept, delegation of decision making authority to FTPS field offices and strengthening of their capabilities, providing a focal point for information technologies related functions, introduction of Foreign Trade Policies Coordination Committee and FTPS Management Committee, etc., would basically remain the same under this alternative.

(ii) **Matrix Arrangement:** It is proposed that FTPS should introduce a matrix structure arrangement in organizing its functions. Matrix structure concept envisages developing an organizational arrangement in which management would focus sharply on FTPS primary functional responsibilities (line functions) and ensure that line management receive adequate, timely and high quality technical support services to enable them to carry out their functions effectively and efficiently. In this arrangement line functions of PTPS are grouped under the following four central departments reporting vertically direct to the First Under Secretary.

- Central Department of Export and Import
- Central Department of Foreign Trade Policies
- Central Department of International Trade Policies*
- Central Department of Foreign Trade Development Policies and Public Participation.

**Note: With formal establishment of Trade Agreements Sector (TAS), which came into effect through Ministerial Decree # 226 of 2003 (May 19, 2003), the Central Department of International Foreign Trade, and related functions, have moved to TAS.*

(d) Merits and Demerits of Alternative Three

Merits:

- All the merits listed under Alternative Two, such as homogenous grouping of functions, clarity regarding line and staff functions, introduction of FTPS Management concept and strengthening of strategic management capabilities, delegation of decision making authority to FTPS field offices, establishment of Foreign Trade Policies Coordination Committee and FTPS Management Committee, etc., also apply to Alternative Three.
- In addition this alternative has the benefits of well functioning matrix arrangement:
 - Primary functions of FTPS, through which FTPS mission and objectives are to be achieved, receive full attention.
 - Resources are planned and deployed for carrying out these primary functions.
 - Specialization is developed in provision of technical support services thus line functions receive better quality of backup support, essential for carrying out line functions.
 - Resources of FTPS are better utilized.
 - FTPS performance would improve considerably and thus be able to achieve its mission and objectives more effectively and efficiently.

Demerits:

- This is a new structure and will have to be tried out before its benefits are realized.
- The introduction of matrix structure arrangement will require a transition period during which the concept will have to be properly explained and its operations given time to stabilize.
- The proposed restructuring is a major change process, both in terms of staff realignment and in operational processes, as well in changing the mind-set of staff who have worked in the current arrangement for a very long time. This change process to succeed will have to be managed with determination, systematically and with commitment and leadership.

(e) Distribution of Functions

The proposed distribution of FTPS functions to key central departments under this alternative is shown in **Annex I** to this report.

4.5 RECOMMENDED STRUCTURE

On the basis of the foregoing details, as well as systematic analysis of merits and demerits of each alternative proposed, it is recommended that structure Alternative Three be adopted for immediate implementation.

5. IMPLEMENTATION AND MANAGING THE CHANGE PROCESS

5.1 Implementation Workshop

The recommended structure and proposed management changes were discussed at length in a two day special workshop organized by ATR for senior executives of FTPS during June 6-7, 2003 at Ain Soukhna. The workshop was chaired by Mr. Abdel Rahman Fawzy, First Under Secretary and attended by 41 participants. The workshop made a number of refinements in the proposed organization structure and management system of FTPS. The groups also developed proposals on structure of their respective central and general departments. The conclusions of the workshop are incorporated in this report. The workshop proposals on organizational structures of central departments are also attached as annexes to this report:

- Annex J** - Central Department of Export and Import
- Annex K** - Central Department of Foreign Trade Policies
- Annex L** - Central Department of Commodity Councils and Small and Medium Enterprises
- Annex M** – General Department of FTSP Management
- Annex N** - General Department of Information Technologies and Translation Services
- Annex O** - FTSP Field Office General Structure

5.2 Implementation: Key to Strengthened Institutional Capabilities of FTSP

Introducing organizational changes which will result in major performance improvement within FTSP, will not be an easy process. It is much easier to make changes in the organizational chart than see those changes work at operational level. Implementation of the changes will have to be done systematically, with full support from the highest authority and full cooperation of staff at every level. The following aspects should be considered.

- (a) Results of the improvements envisaged would only come through systematic and timely implementation of the approved structure and related matters.
- (b) All changes cannot not be introduced simultaneously; FTSP management will have to make well thought out decisions on priority areas.
- (c) The change process will not just happen. It will have to be carefully planned and systematically implemented. The process of giving up the old and introducing the new will need commitment, persistence and systematic follow up action.

5.3 Prerequisites for managing the change process and effective implementation

- (a) Management leadership and commitment.
- (b) Well conceived implementation plan.
- (c) Resources (staff and other) to systematically put into effect the changes.
- (d) Technical support.

5.4 Implementation Action Plan

A well conceived implementation plan should be developed. Key elements of the plan should include:

- (a) Implementation Task Force
- (b) List of key tasks, activities, duration, completion dates
- (c) Action responsibility
- (d) Progress monitoring
- (e) Evaluation of results

Rasik Joshi, Institutional Development Specialist
Abdel Wahab Heikel, Trade Policy Specialist
ATR Project
September 30, 2003

Ref: FTSP O&M Report Text Final Revision – Rasik Joshi – ix.30.2003

ANNEXES

TABLE OF ANNEXES

Annex A	Statement of Mission and Objectives of FTPS	23
Annex B	Statement of Functions of FTPS ...	26
Annex C	Current Organizational Structure of FTPS ...	31
Annex D	Foreign Trade Policies Committee (FTPC) – Terms of Reference	32
Annex E	FTPS Management Committee – Terms of Reference	34
Annex F	Alternative 1 – Objectives Oriented Structure of FTPS	36
Annex G	Alternative 2 – Structure Based on Major Operations of FTPS	37
Annex H	Alternative 3 – Matrix Structure: Recommended by ID Workshop	38
Annex I	Distribution of FTPS Functions: Recommended Structure	39
Annex J	Structure of Central Department of Export and Import	43
Annex K	Structure of Central Department of Foreign Trade Policies	44
Annex L	Structure of Central Department of Commodity Councils and Small and Medium Enterprises (SMS)	45
Annex M	Structure of General Department of FTPS Management	46
Annex N	Structure of General Department of Information Technologies and Translation Services	47
Annex O	Structure of FTPS Field Office General Structure	48

Government of Egypt/USAID Assistance for Trade Reform (ATR) Project
MINISTRY OF FOREIGN TRADE (MOFT)
TASK 3 – INSTITUTIONAL DEVELOPMENT OF PARTICIPATING DIVISIONS

DEVELOPING INSTITUTIONAL CAPABILITIES WITHIN FOREIGN TRADE POLICY SECTOR (FTPS)

**STATEMENT OF MISSION AND OBJECTIVES OF
FOREIGN TRADE POLICIES SECTOR (FTPS)**

(Based on Ministerial Decree # 411 of 2002 and other relevant documents)

1. Contextual Relevance

In developing a statement of mission and objectives of the Foreign Trade Policies Sector (FTPS) within the Ministry of Foreign Trade, the following context has been taken into consideration:

- (a) The attainment of the mission and objectives of the Ministry of Foreign Trade are, to a great extent, influenced by the nature and scope of the foreign trade related POLICIES adopted by the GoE and administered by the Ministry. Proposals for foreign trade policies, rules and regulations are developed by MoFT/FTPS and those that affect national interest and impact on other ministries are submitted for the consideration of the GoE and after approval they are administered by FTPS at operational level. This crucial role of the FTPS should find expression in its long term mission statement.
- (b) The nature and scope of foreign trade policies, formulated, administered and monitored by the MoFT/FTPS, have much wider impact and application and cover areas of agriculture, health, industry, trade, social welfare, economy, finance. etc. Mission and objectives of the FTPS should adequately reflect this.
- (c) Responsibilities assigned to the FTPS for coordination of formulation and implementation (*application, interpretation, etc*) of foreign trade related policies, rules and regulations of GoE/MoFT, will determine the functions as well as organizational arrangements, operations and human and other resource needs of FTPS. Statement of mission and objectives of FTPS should take this into consideration.
- (d) In order to achieve its objective of foreign trade expansion and play a key role in the World Trade Organization, the GoE/MoFT is currently going through a major phase of adjustment/fine tuning of its policies and priorities and adaptation of its organizational arrangements. The FTPS has a crucial role to play in this regard.

2. Ministerial Decree # 411/2002 promulgated on July 4, 2002 has the following provisions regarding role and responsibilities of the Foreign Trade Policies Sector:

- (a) The former Foreign Trade Sector is recasted and renamed as Foreign Trade Policies Sector (FTPS) and is assigned responsibilities pertaining to administration of foreign trade policy matters, including policy aspects of WTO, trade liberalization and any other policies that may have impact on foreign trade such as bilateral and multilateral arrangements.
- (b) The FTPS will have four central departments:
 - Central Department for Import and Export Policies with four general departments responsible for Export Policies, Import Policies, Experts and Cases related to foreign trade, and Finance and Export Guarantee.
 - Central Department for International Trade Policies with four general departments responsible for Safeguards and Injury Calculations, Subsidy and Countervailing Duties, Anti-dumping, and Trade Remedies Information.

- Central Department for Commodity Councils and Small and Medium Enterprises with three general departments responsible for Commodity Councils, Customs Clearance Matters, and Small and Medium Enterprises.
- Central Department for Foreign Trade Field Offices at Cairo Airport, Alexandria Port, Port Suez, Port Said and Port Damietta.

3. THE MISSION OF FOREIGN TRADE POLICIES SECTOR (FTPS)

The long term mission of the Foreign Trade Policies Sector (FTPS), located in the Ministry of Foreign Trade, is to serve as the agency responsible for initiating and evaluating GoE foreign trade policies and to ensure that the approved policies are effectively administered in order to achieve MoFT mission and objectives of expansion of foreign trade, resulting in creation of an environment conducive for trade liberalization, investment and attaining maximum benefits through trade arrangements leading to job creation and derive maximum economic and social benefits for Egyptians.

4. THE KEY OBJECTIVES OF THE FOREIGN TRADE POLICIES SECTOR

In pursuance of the above stated Mission, the Foreign Trade Policies Sector will strive to achieve the following major objectives.

(a) Initiate Trade Policies (Foreign Trade)

Responsible for initiating trade policies; assessing the current trade situation and initiate actions on developing appropriate policy instruments. In this regard develop and maintain appropriate policy analysis capabilities and ensure that policy proposals are based on sound socio-economic parameters and in close collaboration with all relevant agencies.

(b) Administer Trade Policies (Foreign Trade)

Responsible for interpreting and administering foreign trade policy matters including administering the relevant foreign trade laws and regulations, policies relating to trade liberalization, compliance with WTO regulations, trade remedies and ensuring that Egypt's rights are fully secured. In this regard carry out a service and facilitation role and establish close linkages with all other agencies involved in execution of foreign trade policies.

(c) Evaluate Trade Policies (Foreign Trade)

Establish mechanism to facilitate and undertake continual review and evaluation of foreign trade and other policies that impact on foreign trade, to ensure they remain relevant and reflect the current needs and priorities of the GoE. In this regard establish appropriate foreign trade support systems such as data bases, research and analytic capabilities and skills, and application of appropriate information technologies.

(d) Promote Public Participation in Trade Policy Matters (Foreign Trade)

Introduce and maintain mechanisms through which exporters, importers, manufacturers, producers, distributors, including small and medium enterprises actively engaged in formulating and evaluating foreign trade policies and programs. To achieve this establish an appropriate coordination machinery to liaise with business entities.

(e) Develop Institutional Capabilities Within the FTPS

Develop organizational capabilities, management practices and operational systems so as to ensure that overall management and operational performance of FTPS remains efficient at all times, responsibilities assigned to the FTPS are efficiently carried out and its mission and objectives fully achieved. In this regard give special priority to implementation of ATR institutional development proposals and introduction of IT systems such as trade data warehousing and trade remedies work flows, since attainment of the foregoing major objectives are dependent on sound institutional capabilities of the FTPS.

5. NEAR TERM ACHIEVEMENT TARGETS OF FOREIGN TRADE POLICIES SECTOR

In addition to carrying out all regular functions assigned to it, the FTPS will strive to achieve the following near term targets:

- (a) **Implement ATR institutional development proposals and information technology plan** covering IT systems such as trade data warehousing and trade remedies work flow, both systems supported by an electronic research/training center. In this regard work closely with ATR team and develop internal capabilities to continue the implementation of institutional building measures.
- (b) Establish mechanisms within FTPS for **review, coordination and evaluation of all existing foreign trade related policies, laws, regulations and decrees**. To achieve this compile, produce and publish periodically, summaries of foreign trade policies and procedures for use of local and foreign trade organizations.
- (c) **Develop research and analytic capabilities within the FTPS** for carrying out, on a continuous basis, research and analysis of various aspects influencing formulation and administration of foreign trade policies. In this regard introduce appropriate information technologies such as data, software applications and related skills and facilities.
- (d) Develop and implement a comprehensive **human resource development strategy** through which key positions are matched with the most capable staff, the existing human resources are put to optimal use and their capabilities are developed through a need-based training program.
- (e) Enhance and upgrade the systems for **creating greater awareness among business communities and relevant government and non-government organizations, regarding foreign trade policies** and seek their active participation in formulating and administering these policies.
- (f) Develop and implement a **system of preparing annual work plans** for all general departments and introduce performance criteria for major activities of FTPS against which the outcome of work plans and overall performance of FTPS are periodically evaluated.
- (g) Implement the following in **FTPS 2003 work plan** :
 - (i) Improve the trade remedies process; further refine anti-dumping case preparation, support functioning of subsidies department.
 - (ii) Set up a fully functional trade policy analysis department to carry out analysis of trade impact studies.
 - (iii) Establish an appropriate inter-ministerial committee mechanism for coordination of foreign trade policies.

Rasik Joshi, Institutional Development Specialist
Abdel Wahab Heikel, Trade Policy Specialist
Prepared in collaboration with ATR Team and FTPS
ATR Project, Cairo, Egypt
October 8, 2002

Government of Egypt/USAID Assistance for Trade Reform (ATR) Project
MINISTRY OF FOREIGN TRADE (MoFT)
TASK 3 – INSTITUTIONAL DEVELOPMENT OF PARTICIPATING DIVISIONS
**DEVELOPING INSTITUTIONAL CAPABILITIES WITHIN
THE FOREIGN TRADE POLICIES SECTOR (FTPS)**

STATEMENT OF FUNCTIONS OF THE FOREIGN TRADE POLICIES SECTOR (FTPS)

In order to fulfill its mission and achieve its objectives and goals, the Foreign Trade Policies Sector (FTPS) will carry out the following functions.

1. Initiate Trade Policies (Foreign Trade)

In order to achieve its objective pertaining to: “Responsible for initiating trade policies; assessing the current trade situation and initiate actions on developing appropriate policy instruments. In this regard develop and maintain appropriate policy analysis capabilities and ensure that policy proposals are based on sound socio-economic parameters and in close collaboration with all relevant agencies.”, the FTPS will carry out the following functions:

- 1.1 Establish and maintain a **data base** of foreign trade policies, laws, regulations and foreign trade transactions as well as data on domestic production, consumption and stocks of strategic commodities.
- 1.2 Undertake regular detailed **analysis and review of trade situation** and produce reports high-lighting trends and their implications for MoFT policies and priorities. In this regard, prepare, in collaboration with CD/WTO and other relevant agencies, **reports and documents** presented by GoE to the WTO.
- 1.3 **Initiate policy proposals** for consideration of Minister of Foreign Trade on need for possible changes in the existing policies or developing new and additional foreign trade policy instruments such as special system of imports, customs duty, etc. Such proposals shall be guided by the principles of and agreements with Egypt’s international obligations, including the WTO agreements and the nation’s economic and social goals.
- 1.4 Regularly **liaise with other sectors within the MoFT and with other ministries and agencies** on all matters pertaining to foreign trade policies and their administration. In this regard arrange discussion forums on foreign trade policy matters with strong participation of the private sector (Commodity Councils, SMS, etc.).
- 1.5 Develop appropriate **trade policy analysis and research capabilities** within FTPS and, in this regard, hire and retain staff with the relevant skills and expertise.
- 1.6 **Follow up international developments** that may have impact on Egypt’s foreign trade. In this regard develop and maintain up—to-date reference and documentation facilities and contacts with related international agencies.
- 1.7 Participate in **building strong infrastructure to develop exports through the removal of impediments to trade and increasing the competitiveness** of Egyptian commodities.

2. Administer Trade Policies (Foreign Trade)

In order to achieve its objective pertaining to: “Responsible for interpreting and administering foreign trade policy matters including administering the relevant foreign trade laws and regulations, policies relating to trade liberalization, compliance with WTO regulations, trade remedies and ensuring that Egypt’s rights are fully secured. In this regard carry out a service and facilitation role and establish close linkages with all other agencies involved in execution of foreign trade policies.”, the FTPS will carry out the following functions:

- 2.1 Develop and maintain an accurate and up to **data bank of all foreign trade related policies, laws, decrees, regulations and related amendments and precedents**, using appropriate modern data collection, analysis, storage and retrieval technologies. In this regard ensure that this data is available to all authorized users.
- 2.2 Develop and apply appropriate **systems and procedures for day-to-day administration of foreign trade policies and related laws**, decrees and regulations. In this regard develop and retain within FTPS high level analytic and professional expertise and skills and ensure that foreign trade related policies are interpreted and applied uniformly and consistently.
- 2.3 Develop and introduce effective **systems for conducting search and investigation into trade practices such as dumping, subsidization** and imports which harm or hinder trade. In this regard develop expertise and procedures to handle such cases effectively and efficiently.
- 2.4 Develop and manage systems through which **trade policies and related laws and regulations are effectively administered**. In this regard ensure **harmonization of trade agreements with trade policies and priorities** of MoFT.
- 2.5 Manage a system through which **close contact is maintained with all the agencies working in the field of trade in general and foreign trade in particular**. In this regard develop and introduce a system through which daily close links are maintained with the Customs Authority and detailed information is obtained regarding all import and export transactions.
- 2.6 **Oversee implementation of foreign trade laws, decrees and regulations**, to ensure their effectiveness, transparency and consistency. In this regard ensure that FTPS and its offices take prompt action on all matters referred to them from Customs offices.
- 2.7 While administering foreign trade related policies and regulations ensure that socio-economic **interests of Egypt are fully safeguarded** and Egypt is protected against unfair practices related to dumping, and subsidy.
- 2.8 Supervise the execute the criminal provisions of the export and import laws, search and investigate the relevant cases and **advise Minister of Foreign Trade on appropriate action for violation of the laws and regulations** or give opinion on import and export lawsuits as and when necessary.
- 2.9 **Strengthen capabilities of FTPS offices at port level and delegate authority, as appropriate, to make decisions** on all general matters referred to these offices by Customs Authority and local trading communities. In this regard spell out clearly how inquiries and cases referred to FTPS Port offices are to be handled, which matters should be settled locally and how and what matters should be referred to FTPS head office.
- 2.10 Cooperate with other agencies, including Customs Authority, to improve **trade facilitation and expand Egyptian foreign trade**.

3. Evaluate Trade Policies (Foreign Trade)

In order to achieve the objective pertaining to: “Establish mechanism to facilitate and undertake continual review and evaluation of foreign trade and other policies that impact on foreign trade, to ensure they remain relevant and reflect the current needs and priorities of the GoE. In this regard establish appropriate foreign trade support systems such as data bases, research and analytic capabilities and skills, and application of appropriate information technologies.”, the FTPS will carry out the following functions:

- 3.1 Develop and maintain a **system through which foreign trade policies and related laws and regulations are periodically evaluated** to assess their relevance, effectiveness and impact. In this regard maintain an appropriate data base of current policies, how they are applied and the outcome of these policies over a period.
- 3.2 **Liase closely with agencies representing the trading communities** to receive continuous feedback on the effect of current foreign trade policies on the economy. In this regard introduce periodic meetings on various aspects of foreign trade policies and seek active participation of relevant agencies.
- 3.3 **Develop a program for conducting need based specific studies on foreign trade related matters**, including trade policy issues, latest developments in Egyptian foreign trade and forecasts of future trade patterns. In this regard compare policies and their impact with other similar countries and share the outcome of these studies with all agencies involved in foreign trade.
- 3.4 Develop realistic **criteria and indicators for evaluating trade policies**; their purpose, administration and impact. Periodically apply these criteria to evaluate the current policies and share the results of this evaluation with all relevant agencies. In this regard also **evaluate policy options and make specific recommendations** on how to make trade policies more relevant and effective.
- 3.5 Coordinate with other trade related sectors of MoFT and other ministries and associations in developing **studies, research programs and policy proposals**.
- 3.6 **Disseminate the results of studies and policy papers** on Egyptian foreign trade and economic development.

4. Promote Public Participation in Trade Policy Matters (Foreign Trade)

In order to achieve the objective pertaining to: “Introduce and maintain mechanisms through which exporters, importers, manufacturers, producers and distributors, including small and medium enterprises are actively engaged in formulating and evaluating foreign trade policies and programs. To achieve this establish an appropriate coordination machinery to liaise with business entities.”, the FTPS will carry out the following functions:

- 4.1 Develop a **paper on the purpose of and approach to actively involving the trading communities** in the field of initiating, evaluating and amending foreign trade policies, related rules and regulations and administrative systems and procedures. Discuss this proposals widely and bring it to the notice of general public.
- 4.2 Develop and introduce an active **system through which the trading communities can regularly participate in various aspects of foreign trade policy** so that their views and concerns can be incorporated in initiating or modifying existing policies and related rules and regulations.
- 4.3 Maintain close **ties with private sector** to ensure that trade policies serve the interests of the whole business community. In this regard continue the follow-up the **Ministerial Decree No. 521 of 1997 relating to Formation of Commodity Councils** and develop and implement a strategy to ensure that full benefits are derived through functioning of these councils.
- 4.4 **Develop and administer a strategy through which appropriate support is provided to the small and medium size enterprises**; develop, modernize and strengthen their capabilities through financial and marketing support to develop their potential for exports, create new jobs and generally contribute to the trade development. In this regard collect, analyze and disseminate trade information that would benefit the new and non-traditional export industries.
- 4.5 **Increase awareness among the public** regarding Egypt foreign trade, trade policy and its amendments. In this regard periodically produce foreign trade policy news bulletins, organize export policy public discussion forums and such other activities to create greater public awareness.

5. Management of FTPS

In order to achieve the objective pertaining to: “Develop organizational capabilities, management practices and operational systems so as to ensure that overall management and operational performance of FTPS remains efficient at all times, responsibilities assigned to the FTPS are efficiently carried out and FTPS mission and objectives are fully achieved. In this regard give special priority to the implementation of ATR institutional development proposals and introduction of IT systems such as trade data warehousing and trade remedies work flows, since attainment of the foregoing major objectives are dependent on sound institutional capabilities of the FTPS.”, the FTPS will carry out the following functions:

- 5.1 Create **awareness regarding the FTPS’s mission, objectives and functions** among staff and other sectors within the MoFT as well as in the business community it is serving and the public and private sector organizations with which it is liaising.
- 5.2 Develop and introduce a **system of annual work plans for the FTPS** that set goals and targets; ensure that these plans are effectively implemented. In this regard also critically evaluate the outcome of annual work plans and take corrective measures as necessary.
- 5.3 In close consultation with Heads of technical functions of **FTPS establish performance criteria and standards**, both in terms of quality and quantity, in dealing with various key functions of the FTPS. Periodically review these criteria to ensure they remain relevant and up-to-date.
- 5.4 **Introduce modern information technologies** in processing various technical and professional functions and ensure that the IT systems operate effectively and efficiently. In this regard develop appropriate human resource skills and capabilities.
- 5.5 **Prepare annual financial and human resource budget of FTPS** and ensure that budget provisions are adequately controlled and the resources (financial, human, material and other) allocated to FTPS are optimally utilized.
- 5.6 Develop and maintain high level **professional legal services within FTPS covering interpretation of laws and regulations, dealing with legal cases and suits, providing legal advisory services, drafting of legal documents, etc.** In this regard develop relevant capabilities in professional legal expertise and specialization.
- 5.7 **Provide full range of administrative and logistical services.** In this regard introduce efficient systems and procedures to ensure that these services are effective; ensure that the standard procedures are adequately documented and brought to the attention of all staff.
- 5.8 **Develop sound middle management capabilities** within FTPS to whom decision making authority can be delegated and in whom accountability for performance and timely attainment of FTPS objectives and mission can be established.
- 5.9 **Develop and maintain Public Liaison Services** through which FTPS activities are communicated to the public and media and public opinion and concerns are brought to the notice of FTPS/MoFT.
- 5.10 Ensure that approved **institutional development measures** recommended by the ATR project are effectively implemented.

6. Near Term Goals of FTPS

In order to achieve its short term goals and targets FTPS will under take the following set of functions:

- 6.1 FTPS will establish an internal high level Task Force and assign it the responsibility for systematic **implementation of approved institutional development proposals and information technology plan.** The Task Force will ensure that implementation is carried out systematically, effectively and

in a timely manner. In this regard FTPS will develop internal capabilities to continue the implementation of institution building measures.

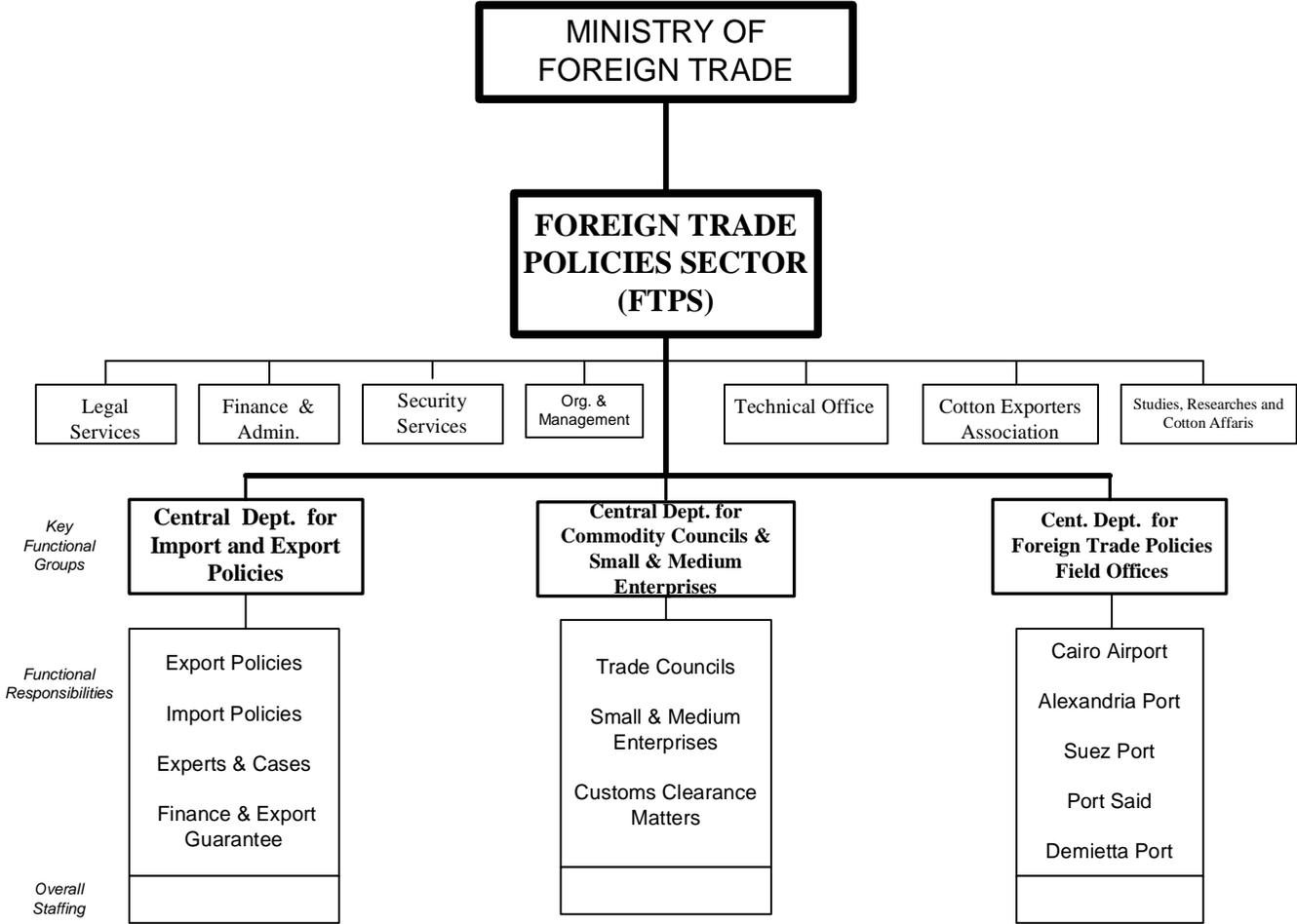
- 6.2 FTPS will establish, as a matter of priority, an appropriate internal mechanism for **review, coordination and evaluation of all existing foreign trade related policies, laws, regulations and decrees.**
- 6.3 FTPS will embark on priority program for **developing its internal research and analytic capabilities** for carrying out, on a continuous basis, research on and analysis of various aspects influencing formulation and administration of foreign trade policies. In this regard FTPS will introduce appropriate information technologies such as data base software applications and undertake a crash program to develop relevant technical skills and expertise.
- 6.4 FTPS will undertake a priority exercise to develop a comprehensive **human resource development strategy** through which critical areas of professional and technical skills and expertise are identified and a need-based program is implemented to develop human resources. In this regard maximum use will be made of the existing skills, expertise and experience and steps will be taken to upgrade the skills and abilities of the existing staff.
- 6.5 FTPS will initiate a special program to **create greater awareness among business communities and relevant government and non-government organizations**, regarding the current foreign trade policies and related laws and regulations and seek their active participation in formulating and administering these policies.
- 6.6 FTPS will, as a matter of priority, develop and introduce a **system of preparing annual work plans** for all general departments and introduce performance criteria for major activities of FTPS against which the outcome of work plans and overall performance of FTPS are periodically evaluated. The work plan of year 2003 will include:
 - (i) Improvement of trade remedies process; further refine anti-dumping case preparation, support functioning of subsidies department.
 - (ii) As part of its institutional development program, FTPS will set up a fully functional trade policy analysis department to carry out trade policy impact studies.
 - (iii) Establish an appropriate inter-ministerial committee mechanism for coordination of foreign trade policies

Rasik Joshi, Institutional Development Specialist
Abdel Wahab Heikel, Trade Policy Specialist
Prepared in collaboration with ATR Team and FTPS
ATR Project
April 16, 2003

Ref: ATR-FTPS-Proposed Preliminary Statement of Functions – RPJ – Cairo, Egypt i4.16.2003

**CURRENT ORGANIZATIONAL STRUCTUE OF
FOREIGN TRADE POLICIES SECTOR
OF MINISTRY OF FOREIGN TRADE**

ANNEX - C
CURRENT SITUATION
(Ministerial Decree # 411 of 2000)



Government of Egypt/USAID Assistance for Trade Reform (ATR) Project
MINISTRY OF FOREIGN TRADE (MoFT)

DEVELOPING INSTITUTIONAL CAPABILITIES WITHIN THE FOREIGN TRADE POLICIES SECTOR (FTPS)

FOREIGN TRADE POLICIES COMMITTEE (FTPC)

TERMS OF REFERENCE

1. Background

The Government of Egypt (GoE) through MoFT has introduced, in the course of past decade, a variety of far reaching changes in its foreign trade policies and practices. In the fast changing global economy, existing foreign trade policies need continuous evaluation and refinement and many changes may need to be introduced. These changes should reflect the overall socio-economic policies and priorities of Egypt, be well thought out in terms of their substance and timing, and be consistent with relevant statutes, agreements and treaties. There is, therefore, a need to introduce an effective top level mechanism through which policy proposals for initiating new policies and amendments to existing policies can be developed and thoroughly analyzed and evaluated before being submitted to the Minister and the Cabinet. This mechanism should provide a broad base of views from the private and public sector. We propose that this mechanism take the form of a top level Foreign Trade Policies Committee (FTPC). A proposal for how such a committee could be structured and operate is set out below.

2. Title and Authority

The committee will be titled Foreign Trade Policies Committee (FTPC) and will be located within the Ministry of Foreign Trade. It will operate under the authority of a decree issued by the Prime Minister establishing the committee. The secretariat of the committee will be located in the Foreign Trade Policies Sector (FTPS) and draw heavily from the Department of Foreign Trade Policies Research and Evaluation and make use of the facility of the electronic research center. The role of the committee will be advisory and provide professional views on trade policy matters.

3. Goal and Objectives

- (i) The FTPC will ensure that policy instruments in all aspects of trade (export, import, standards, agreements, etc.), that are formulated and administered by the MoFT, remain sound, consistent and effective.
- (ii) In the context of the above stated goal, the objectives of the Foreign Trade Policies Committee will be to:
 - Serve as a high level professional foreign trade policy coordination body which will ensure that all foreign trade related policies are based on sound principles, reflect the government's current socio-economic policies and priorities and are administered effectively and efficiently.
 - Provide an arrangement through which changes in existing policies or the initiation of new policies, which are submitted for consideration of the Minister and the Cabinet, are thoroughly analyzed and evaluated and the views and needs of all the relevant sectors and customers are adequately reflected.
 - Provide a forum through which policy implications of various foreign trade related agreements and treaties, bilateral and multilateral, are closely examined by top level policy makers and trade policy professionals.

4. Functions

In order to achieve these objectives, the Foreign Trade Policies Committee will undertake the following key functions:

- (i) Periodically evaluate the relevance and effectiveness of the existing foreign trade policies and make recommendations for improved policies based on this evaluation.
- (ii) Review proposals for changes in existing foreign trade policies or the formulation of new foreign trade policies, initiated by any party, and make recommendations to the Minister of Foreign Trade.
- (iii) Review proposals on trade related agreements, treaties, etc. which have foreign trade policy implications and make recommendations.
- (iv) Ensure that views, needs and concerns of the various agencies involved in foreign trade are fully taken into account of when formulating, amending and administering foreign trade policies.
- (v) Generally serve as an effective forum for coordination, evaluation and discussion of all foreign trade policy matters and give broad based professional advice to the Minister.

5. Composition of the Foreign Trade Policies Committee:

- **Chairman**: The Hon. Minister for Foreign Trade will be the Chairperson and provide personal direction and leadership to the policy committee.

- **Alternate Chairman**: First Under Secretary, Foreign Trade Policies Sector (FTPS).

- **Secretary General**: First Under Secretary, Trade Agreements Sector (TAS).

- **FTPC members**:

I. Representatives of the following Ministries (*heads of relevant central departments*):

1. Ministry of Foreign Trade.
2. Ministry of Finance.
3. Ministry of Industry.
4. Ministry of Agriculture.
5. Ministry of Supply and Home Trade.
6. Ministry of Health.

II. Representatives of other external agencies:

7. Central Bank of Egypt.
8. Egyptian Bank for Export Promotion.

III. Four to five representatives from Private Sector from:

1. Egyptian Federation of Industries.
2. Central Federation of Chambers of Commerce.
3. American Egyptian Chamber of Commerce (AM-CHAM).
4. Egyptian Businessmen Association (Cairo).
5. Egyptian Businessmen Association (Alexandria).

Note: The Committee may co-opt other members as and when necessary

6. Modus Operandi of the Foreign Trade Policies Committee

- 1- The Committee will meet once a month (First Monday at 11 am) in the Conference Room of the Ministry of Foreign Trade.
- 2- The Secretary General will circulate in advance, agenda and special papers, reports and information with clear indicators of issues and decisions to be considered.
- 3- The Chairman at the end of the meeting will draw the decisions of the Committee, under each agenda, and responsibility for action will be assigned to specific individual/agency.
- 4- The Secretariat will keep a register of decisions, report at each meeting the action taken on previous decisions and the outcome.

Note: This draft has been discussed internally within FTPS and approved by Mr. Fawzy on May 28, 2003

Rasik Joshi, Institutional Development Specialist
 Abdel Wahab Heikel, Trade Policy Specialist
 ATR Project
 May 28, 2003

Ref: FTPS – TOR of FTFC discussed with FTPS May 28, 2003 – RPJ – v.28.2003

Government of Egypt/USAID Assistance for Trade Reform (ATR) Project
MINISTRY OF FOREIGN TRADE (MoFT)
TASK 3 – INSTITUTIONAL DEVELOPMENT OF PARTICIPATING DIVISIONS

**PROPOSED ORGANIZATIONAL STRUCTURE AND
MANAGEMENT SYSTEM FOR THE FOREIGN TRADE POLICIES SECTOR (FTPS)**

FTPS MANAGEMENT COMMITTEE

1. INTRODUCTION

In order to facilitate effective overall coordination and build strong team work at top management level, a high level Management Committee is proposed within FTPS. The committee will deal with two broad areas (i) foreign trade policies technical and operational matters and (ii) FTPS management matters. For technical and operational related matters the committee will provide a mechanism through which all technical and operational aspects of administering existing foreign trade policies, for which FTPS is responsible, are coordinated. The FTPS Management Committee will be the forum through which all management related issues of FTPS, covering aspects such as management and organizational arrangement, overall work planning, performance monitoring, resource budgeting and utilization, information technology and logistical support services and systems are coordinated. This committee will not be just "talk-shop" but will decisively address key issues which affect overall performance of FTPS. The First Under Secretary, in person, will provide leadership for this committee. The membership of this committee will consist of senior executives and experienced professionals. Matters which cannot be dealt with by heads of central departments and aspects which affect more than one central department will be submitted for consideration of the committees. The committee will only make top level decisions on specific issues. Primary role of the committees will be proactive in nature and enable heads of central departments to effectively carry out the functions assigned to them and thus enable FTPS to achieve its long term mission and objectives effectively and expeditiously. The terms of reference of the committee are defined below.

2. TERMS OF REFERENCE OF FTPS MANAGEMENT COMMITTEE (FTPS/MC)

(a) Title and Authority

The FTPS Management Committee will be established under the specific directive issued by the First Under Secretary. The decisions made by the committee, once approved by the Under Secretary, will have the same authority as those made by the Under Secretary in the formal decision making process within FTPS.

(b) Goals and Objectives

The FTPS Management Committee will aim to develop and maintain an appropriate level of management, professional and technical capabilities within FTPS through which it can efficiently carry out the functions assigned to it and effectively achieve its mission. The primary objective of FTPS/MC will be to serve as a forum for effective internal coordination and direction of all foreign trade policies related matters as well as management and administrative aspects of FTPS; to ensure that management and technical related major decisions are based on professional expertise and are administered with consistency and objectivity. In the context of this objective the committee will aim to:

- (i) Develop a top management team jointly responsible for effective management of all aspects of FTPS responsibilities.
- (ii) Provide a mechanism for effective coordination and direction of major foreign trade policies related matters (policies analysis, reviews and revision, administration of policies and laws, , etc.), as well as management related matters (such as strategic planning, management practices, logistical support services, resources budgeting public liaison, legal services, security, etc.
- (iii) Serve as an active forum through which senior executives can exchange their views on key issues relating to the management of FTPS at corporate level and make specific decisions which can be jointly carried out.

(c) Functions

In order to achieve this objective, FTPS/MC will undertake the following functions:

Foreign Trade Policies Technical and Operational Functions:

- (i) Ensure that MoFT policies and priorities regarding development of foreign trade and implementation of its obligations and rights under various agreements, treaties and conventions are adhered to and reflected in the operational decision making.
- (ii) Review foreign trade policy related issues referred to the committee objectively and in the context of relevant laws and regulations and give sound professional advice.
- (iii) Periodically review overall effectiveness of FTSP technical functions (policy administration, trade remedies, operational aspects of trade flow, implementation of agreements, policies research, etc.) and make recommendations to the Under Secretary.
- (iv) Develop proactive plans to improve effectiveness of foreign trade policies administration and coordinate implementation of these plans.

FTSP Management related Functions:

- (v) Create and maintain an environment through which FTSP continuously remains objective oriented. Encourage staff to prefix all their activities with the question: "does this activity which I am presently doing enable FTSP to achieve its objectives and goals?"
- (vi) Develop an effective team work approach in FTSP to enable it operate as a cohesive and composite entity.
- (vii) Enable departments to develop performance standards and targets and encourage them to achieve these targets. Institute measures to keep all units and staff of FTSP well informed on the overall progress and activities of FTSP.
- (viii) Review periodically management reports on overall organizational performance of central departments and the FTSP and institute measures to improve performance.
- (ix) Review FTSP human resource management reports, with particular emphasis on achieving optimal staff deployment and enhancing skills and abilities of staff through need related training and development.
- (x) Generally provide leadership and direction to ensure that FTSP management continuously remain effective and efficient and ensure that all resources of FTSP are optimally utilized.

(d) Leadership and Composition of the Committee

- (i) The First Under Secretary will be the Chairman and provide personal direction and leadership to this committee.
- (ii) The membership of the Committee consists of:
 - 1. Head, Central Department of Export and Imports - Alternate Chairman
 - 2. Head, Central Department of Foreign Trade Policies - Member
 - 3. Head, Central Department of Commodity Councils & SMS - Member
 - 4. Head, General Department of Information Technologies & Translation Services - Member
 - 5. Head, FTSP Management - Secretary

(e) Modus Operandi of the FTSP/MC

- (i) The Committee will meet once every month in the Office of the First Under Secretary
- (ii) The Secretary will circulate in advance, agenda and special papers, reports and information with indicators of issues and decisions to be considered.
- (iii) The decisions of the Committee under each agenda will be summarized by the Chairman at the end of the meeting and responsibility for action will be assigned to specific officers.
- (iv) The Secretary will keep a register of decisions made and report at each meeting the action taken and the outcome. No elaborate records will be kept of the deliberations.

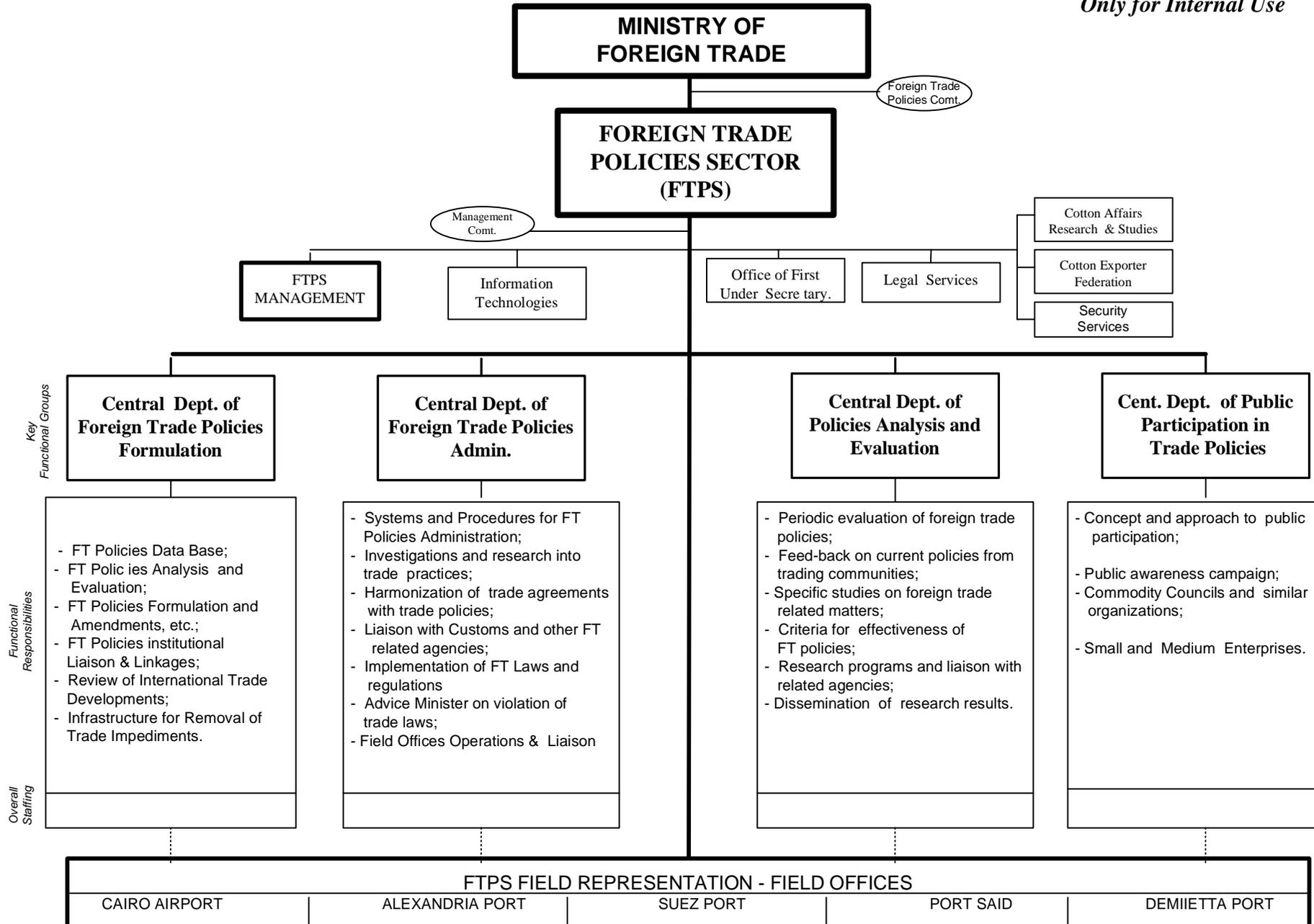
Rasik Joshi, Institutional Development Specialist
Abdel Wahab Heikel, Trade Policy Specialist
ATR Project, Cairo, Egypt
Wednesday, March 05, 2003

Ref: TOR - FTSP Management Committee – RPJ – ix.30.2003

PROPOSED ORGANIZATIONAL STRUCTURE OF FOREIGN TRADE POLICIES SECTOR

OF MINISTRY OF FOREIGN TRADE

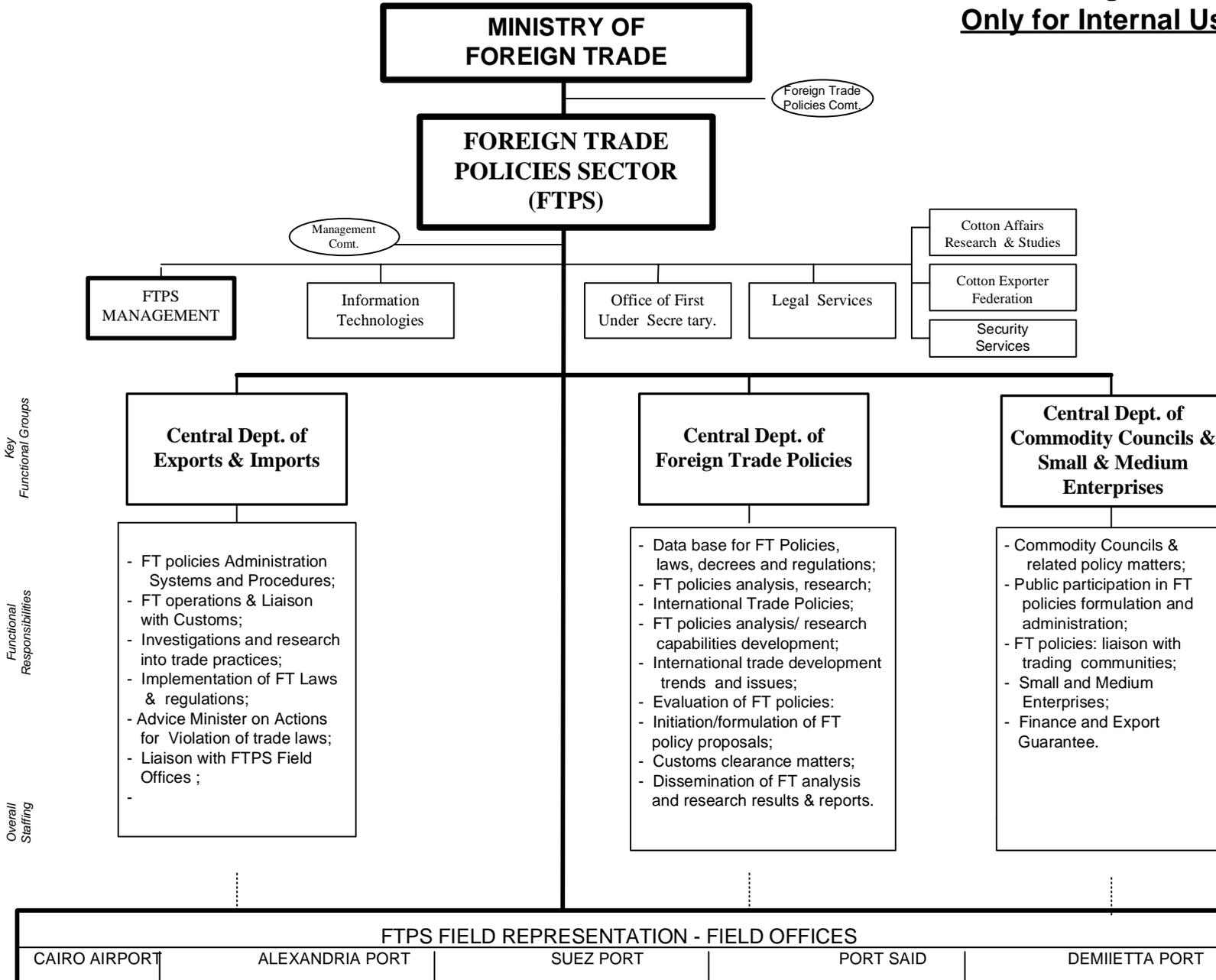
ANNEX - F
ALTERNATIVE - 1
WORKING DRAFT
Only for Internal Use



**PROPOSED ORGANIZATIONAL STRUCTURE OF
FOREIGN TRADE POLICIES SECTOR**

**ANNEX - G
ALTERNATIVE - 2
Working Draft
Only for Internal Use**

OF MINISTRY OF FOREIGN TRADE



Key Functional Groups

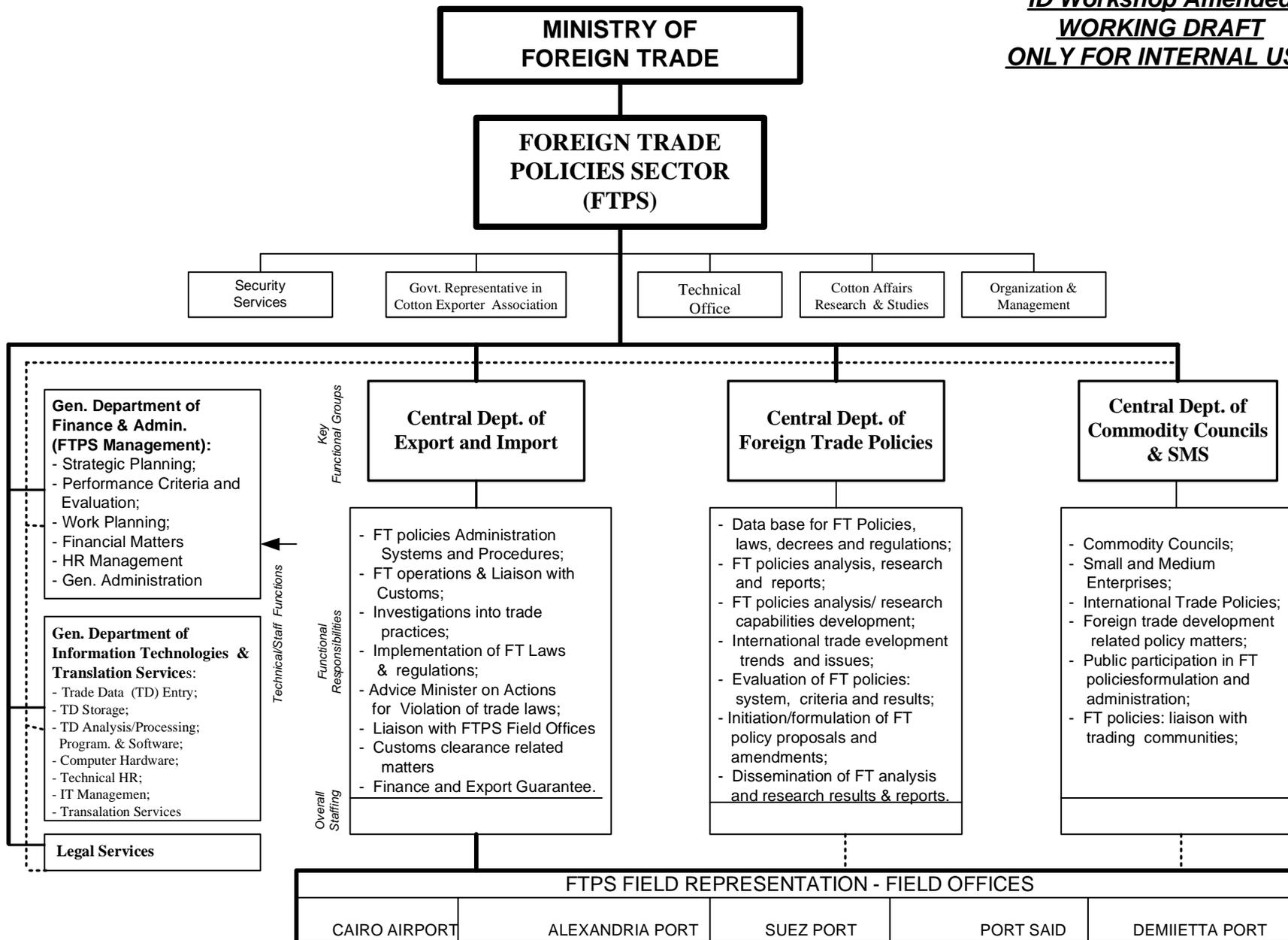
Functional Responsibilities

Overall Staffing

ORGANIZATIONAL STRUCTUE OF FOREIGN TRADE POLICIES SECTOR

OF MINISTRY OF FOREIGN TRADE

ANNEX - H
Alternative 3
ID Workshop Amended
WORKING DRAFT
ONLY FOR INTERNAL USE



ANNEX - I

APPROVED BY MR. FAWZY – Aug.17, 2003

Government of Egypt/USAID Assistance for Trade Reform (ATR) Project
 MINISTRY OF FOREIGN TRADE (MoFT)
 TASK 3 – INSTITUTIONAL DEVELOPMENT OF PARTICIPATING DIVISIONS
 DEVELOPING INSTITUTIONAL CAPABILITIES WITHIN
 THE FOREIGN TRADE POLICIES SECTOR (FTPS)

ORGANIZATIONAL RESTRUCTURING OF FTPS DISTRIBUTION OF FUNCTIONS OF THE FOREIGN TRADE POLICIES SECTOR (FTPS)

Key Functions	Assigned to:					Notes
	CDE&I	CDFTP	CDCC	FTPS MANG	IT&IS	
Initiate Trade Policies (Foreign Trade)						
1. Establish and maintain a data base of foreign trade policies, laws, regulations and foreign trade transactions as well as data on domestic production, consumption and stocks of strategic commodities.	-	X	-	-	X	IT for data storage and processing
2. Undertake regular detailed analysis and review of trade situation and produce reports high-lighting trends and their implications for MoFT policies and priorities. In this regard, prepare, in collaboration with CD/WTO and other relevant agencies, reports and documents presented by GoE to the WTO.	-	X	-	-	-	
3. Initiate policy proposals for consideration of Minister of Foreign Trade on need for possible changes in the existing policies or developing new and additional foreign trade policy instruments such as special system of imports, customs duty, etc. Such proposals shall be guided by the principles of and agreements with Egypt's international obligations, including the WTO agreements and the nation's economic and social goals.	-	X	-	-	-	
4. Regularly liaise with other sectors within the MoFT and with other ministries and agencies on all matters pertaining to foreign trade policies and their administration. In this regard arrange discussion forums on foreign trade policy matters with strong participation of the private sector (Commodity Councils, SMS, etc.).	-	X	X	-	-	
5. Develop appropriate trade policy analysis and research capabilities within FTPS and, in this regard, hire and retain staff with the relevant skills and expertise.	-	X	-	-	-	
6. Follow up international developments that may have impact on Egypt's foreign trade. In this regard develop and maintain up-to-date reference and documentation facilities and contacts with related international agencies.	-	X	-	-	-	Active TAS involvement
7. Participate in building strong infrastructure to develop exports through the removal of impediments to trade and increasing the competitiveness of Egyptian commodities.	-	X	X	-	-	CDCC for implementation
Administer Trade Policies (Foreign Trade)						
8. Develop and maintain an accurate and up to data bank of all foreign trade related policies, laws, decrees, regulations and related amendments and precedents , using appropriate modern data collection, analysis, storage and retrieval technologies. In this regard ensure that this data is available to all authorized users.	-	-	-	-	X	Establish groups

9. Develop and apply appropriate systems and procedures for day-to-day administration of foreign trade policies and related laws, decrees and regulations. In this regard develop and retain within FTPS high level analytic and professional expertise and skills and ensure that foreign trade related policies are interpreted and applied uniformly and consistently.	X	X	-	-	-	
10. Develop and manage systems through which trade policies and related laws and regulations are effectively administered. In this regard ensure harmonization of trade agreements with trade policies and priorities of MoFT.	X	X	-	-	-	
11. Manage a system through which close contact is maintained with all the agencies working in the field of trade in general and foreign trade in particular. In this regard develop and introduce a system through which daily close links are maintained with the Customs Authority and detailed information is obtained regarding all import and export transactions.	X	-	-	-	-	
12. Oversee implementation of foreign trade laws, decrees and regulations, to ensure their effectiveness, transparency and consistency. In this regard ensure that FTPS and its offices take prompt action on all matters referred to them from Customs offices.	X	-	-	-	-	
13. While administering foreign trade related policies and regulations ensure that socio-economic interests of Egypt are fully safeguarded and Egypt is protected against unfair practices related to dumping, and subsidy.	-	X	-	-	-	Primarily TAS CD of Trade Remedies
14. Supervise the execute the criminal provisions of the export and import laws, search and investigate the relevant cases and advise Minister of Foreign Trade on appropriate action for violation of the laws and regulations or give opinion on import and export lawsuits as and when necessary.	X	-	-	-	-	
15. Strengthen capabilities of FTPS offices at port level and delegate authority, as appropriate, to make decisions on all general matters referred to these offices by Customs Authority and local trading communities. In this regard spell out clearly how inquiries and cases referred to FTPS Port offices are to be handled, which matters should be settled locally and how and what matters should be referred to FTPS head office.	X	-	-	-	-	
16. Cooperate with other agencies, including Customs Authority, to improve trade facilitation and expand Egyptian foreign trade.	X	-	-	-	-	
Evaluate Trade Policies (Foreign Trade)						
17. Develop and maintain a system through which foreign trade policies and related laws and regulations are periodically evaluated to assess their relevance, effectiveness and impact. In this regard maintain an appropriate data base of current policies, how they are applied and the outcome of these policies over a period.	-	X	-	-	X	IT providing data base
18. Liase closely with agencies representing the trading communities to receive continuous feed-back on the effect of current foreign trade policies on the economy. In this regard introduce periodic meetings on various aspects of foreign trade policies and seek active participation of relevant agencies.	-	X	X	-	-	
19. Develop a program for conducting need based specific studies on foreign trade related matters, including trade policy issues, latest developments in Egyptian foreign trade and forecasts of future trade patterns. In this regard compare policies and their impact with other similar countries and share the outcome of these studies with all agencies involved in foreign trade.	-	X	-	-	-	

20. Develop realistic criteria and indicators for evaluating trade policies ; their purpose, administration and impact. Periodically apply these criteria to evaluate the current policies and share the results of this evaluation with all relevant agencies. In this regard also evaluate policy options and make specific recommendations on how to make trade policies more relevant and effective.	-	X	-	-	-	
21. Coordinate with other trade related sectors of MoFT and other ministries and associations in developing studies, research programs and policy proposals .	-	X	-	-	-	
22. Disseminate the results of studies and policy papers on Egyptian foreign trade and economic development.	-	-	-	-	X	
Promote Public Participation in Trade Policy Matters (Foreign Trade)						
23. Develop a paper on the purpose of and approach to actively involving the trading communities in the field of initiating, evaluating and amending foreign trade policies, related rules and regulations and administrative systems and procedures. Discuss this proposals widely and bring it to the notice of general public.	-	-	X	-	-	
24. Develop and introduce an active system through which the trading communities can regularly participate in various aspects of foreign trade policy so that their views and concerns can be incorporated in initiating or modifying existing policies and related rules and regulations.	-	-	X	-	-	
25. Maintain close ties with private sector to ensure that trade policies serve the interests of the whole business community. In this regard continue the follow-up the Ministerial Decree No. 521 of 1997 relating to Formation of Commodity Councils and develop and implement a strategy to ensure that full benefits are derived through functioning of these councils.	-	-	X	-	-	
26. Develop and administer a strategy through which appropriate support is provided to the small and medium size enterprises ; develop, modernize and strengthen their capabilities through financial and marketing support to develop their potential for exports, create new jobs and generally contribute to the trade development. In this regard collect, analyze and disseminate trade information that would benefit the new and non-traditional export industries.	-	-	X	-	-	
27. Increase awareness among the public regarding Egypt foreign trade, trade policy and its amendments. In this regard periodically produce foreign trade policy news bulletins, organize export policy public discussion forums and such other activities to create greater public awareness.	-	-	X	-	X	Mainly IT through its Information Services
Management of FTPS						
28. Create awareness regarding the FTPS's mission, objectives and functions among staff and other sectors within the MoFT as well as in the business community it is serving and the public and private sector organizations with which it is liaising.	-	X	-	X	-	Senior Management Role
29. Develop and introduce a system of annual work plans for the FTPS that set goals and targets; ensure that these plans are effectively implemented. In this regard also critically evaluate the outcome of annual work plans and take corrective measures as necessary.	-	-	-	X	-	

30. In close consultation with Heads of technical functions of FTPS establish performance criteria and standards , both in terms of quality and quantity, in dealing with various key functions of the FTPS. Periodically review these criteria to ensure they remain relevant and up-to-date.	-	-	-	X	-	
31. Introduce modern information technologies in processing various technical and professional functions and ensure that the IT systems operate effectively and efficiently. In this regard develop appropriate human resource skills and capabilities.	-	-	-	-	X	
32. Prepare annual financial and human resource budget of FTPS and ensure that budget provisions are adequately controlled and the resources (financial, human, material and other) allocated to FTPS are optimally utilized.	-	-	-	X	-	
33. Develop and maintain high level professional legal services within FTPS covering interpretation of laws and regulations, dealing with legal cases and suits, providing legal advisory services, drafting of legal documents, etc. In this regard develop relevant capabilities in professional legal expertise and specialization.	-	X	-	-	-	
34. Provide full range of administrative and logistical services. In this regard introduce efficient systems and procedures to ensure that these services are effective; ensure that the standard procedures are adequately documented and brought to the attention of all staff.	-	-	-	X	-	
35. Develop sound middle management capabilities within FTPS to whom decision making authority can be delegated and in whom accountability for performance and timely attainment of FTPS objectives and mission can be established.	-	-	-	X	-	
36. Develop and maintain Public Liaison Services through which FTPS activities are communicated to the public and media and public opinion and concerns are brought to the notice of FTPS/MoFT.	-	-	-	-	X	
37. Ensure that approved institutional development measures recommended by the ATR project are effectively implemented.	-	-	-	X	-	

ATR Team
August 17, 2003

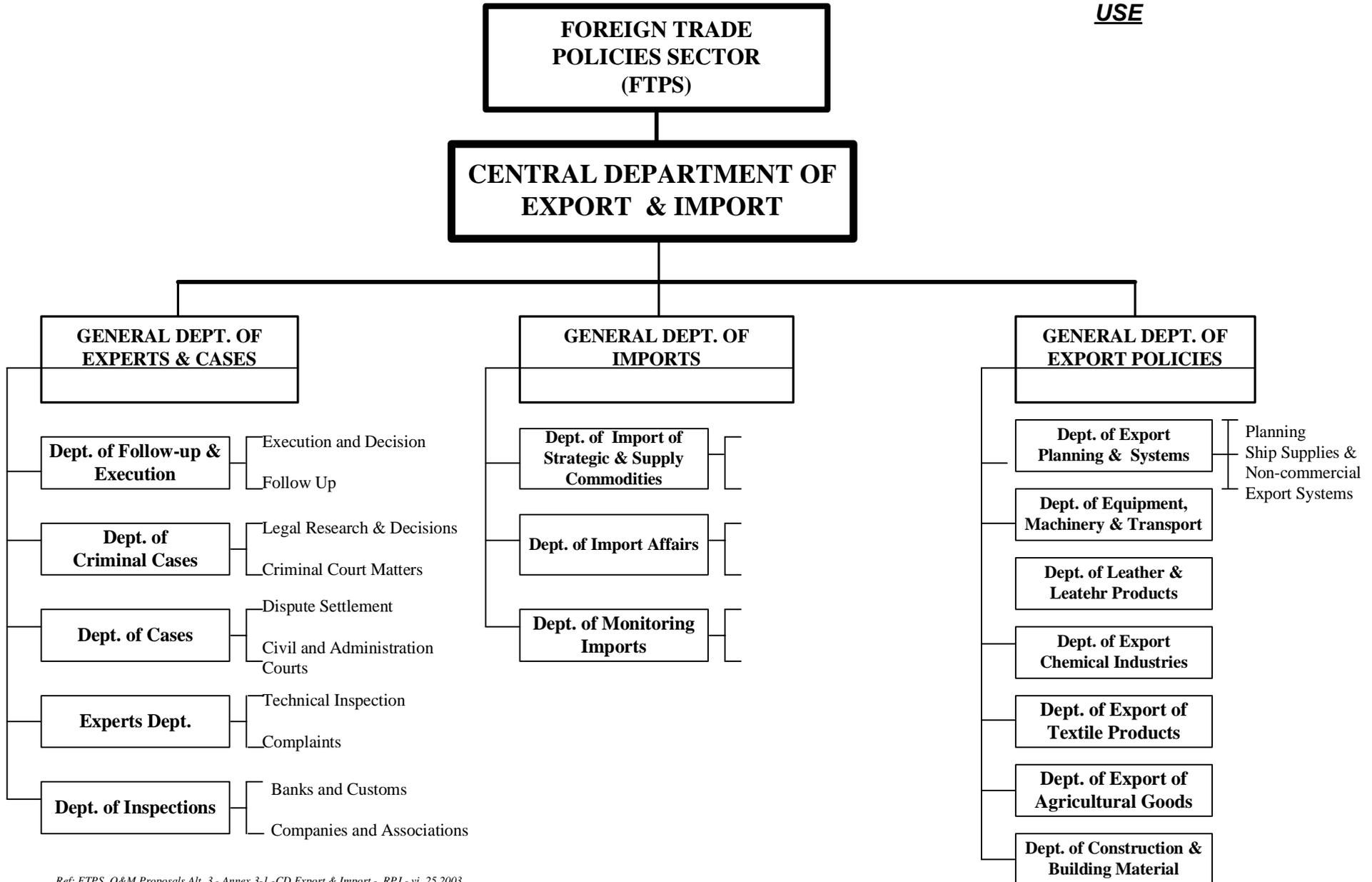
Ref: *FTPS O&M Distribution of Functions – Approved by Mr. Fawzy – RPJ – Aug. 17, 2003*

**PROPOSED ORGANIZATIONAL STRUCTUE OF
FOREIGN TRADE POLICIES SECTOR**

OF MINISTRY OF FOREIGN TRADE

ANNEX J
Workshop Amended
WORKING DRAFT
ONLY FOR INTERNAL
USE

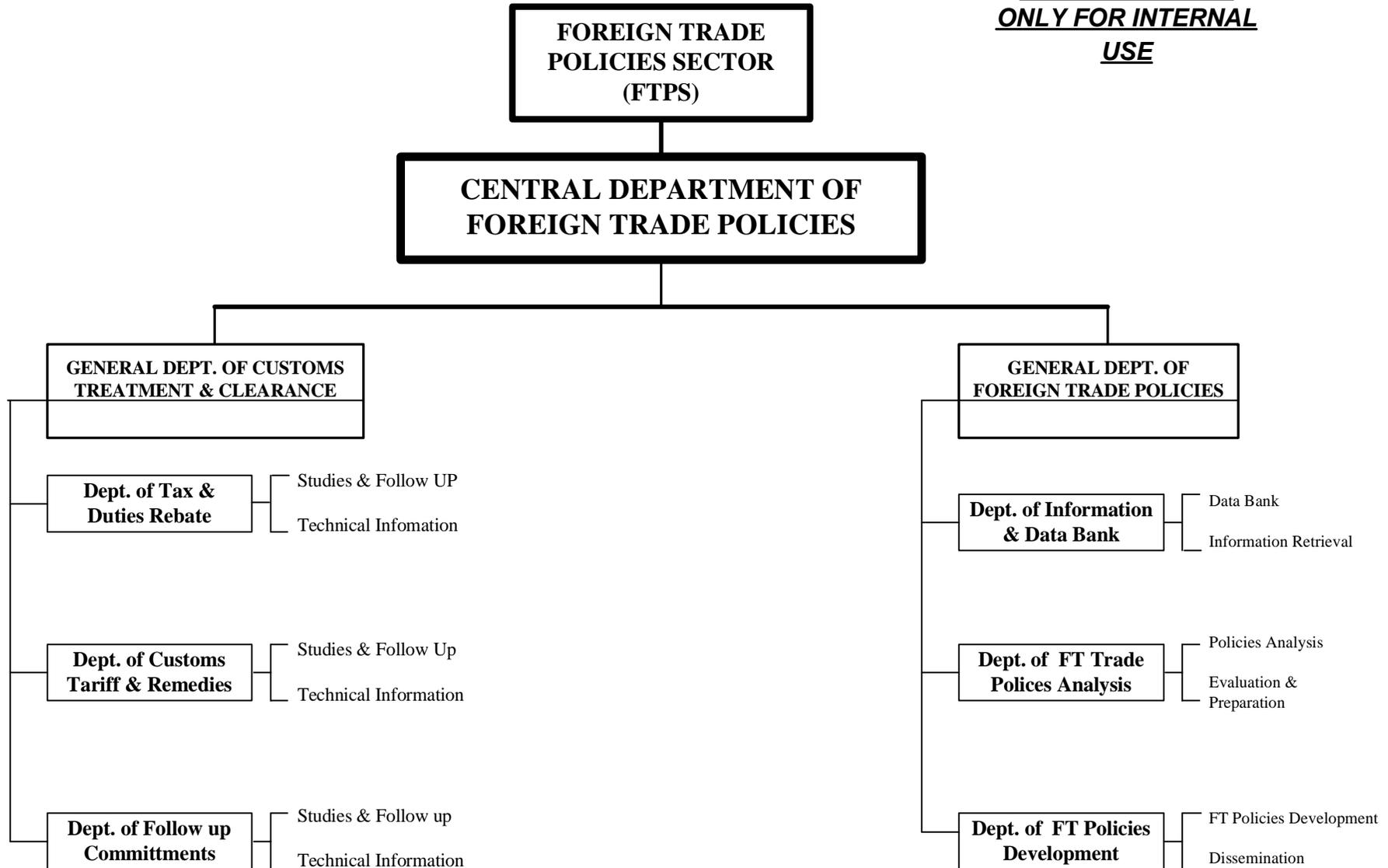
43



**PROPOSED ORGANIZATIONAL STRUCTUE OF
FOREIGN TRADE POLICIES SECTOR**

OF MINISTRY OF FOREIGN TRADE

ANNEX K
Workshop Amended
WORKING DRAFT
ONLY FOR INTERNAL
USE

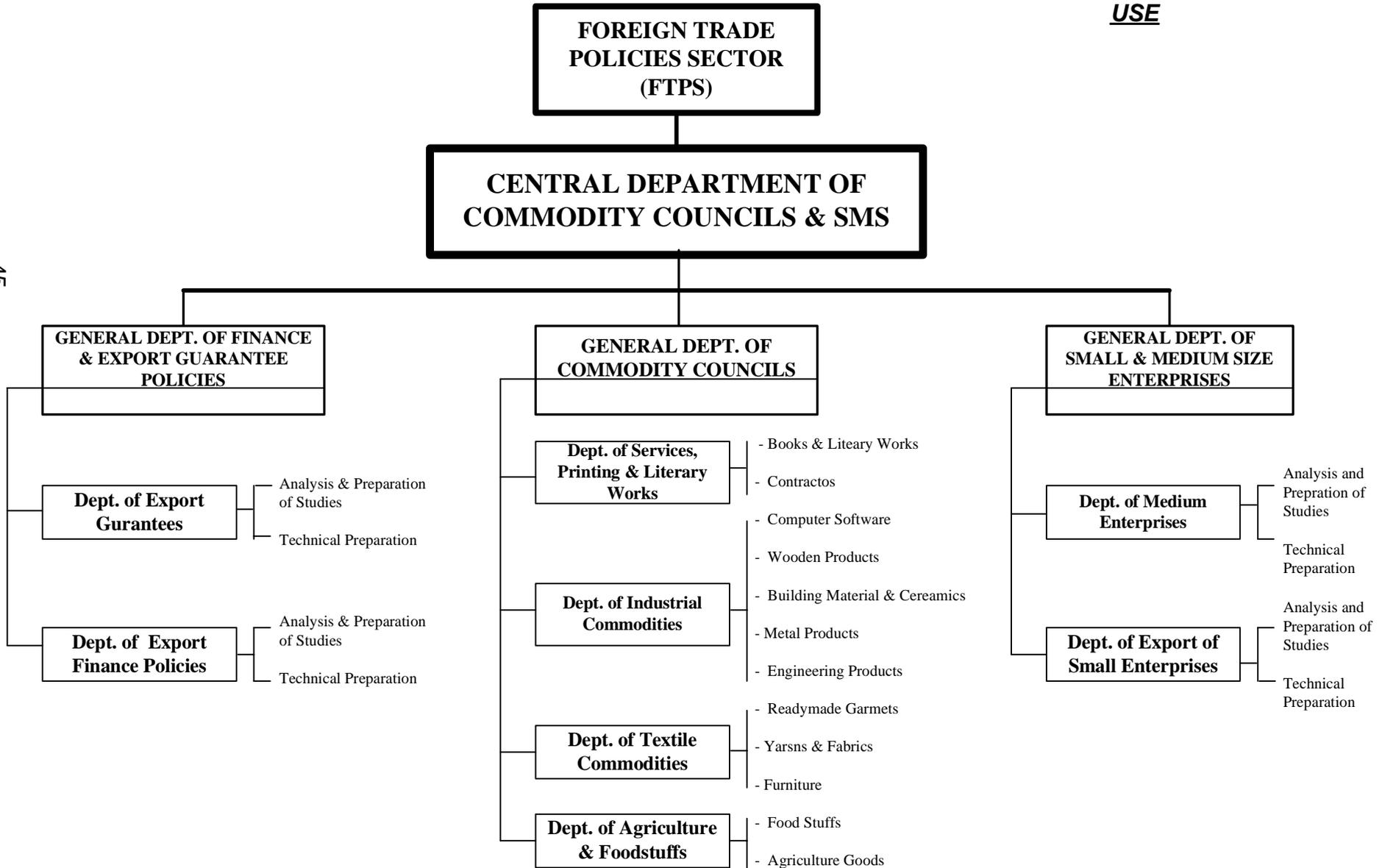


**PROPOSED ORGANIZATIONAL STRUCTURE OF
FOREIGN TRADE POLICIES SECTOR**

OF MINISTRY OF FOREIGN TRADE

ANNEX - L
Workshop Amended
WORKING DRAFT
ONLY FOR INTERNAL
USE

45



**PROPOSED ORGANIZATIONAL STRUCTURE OF
FOREIGN TRADE POLICIES SECTOR**

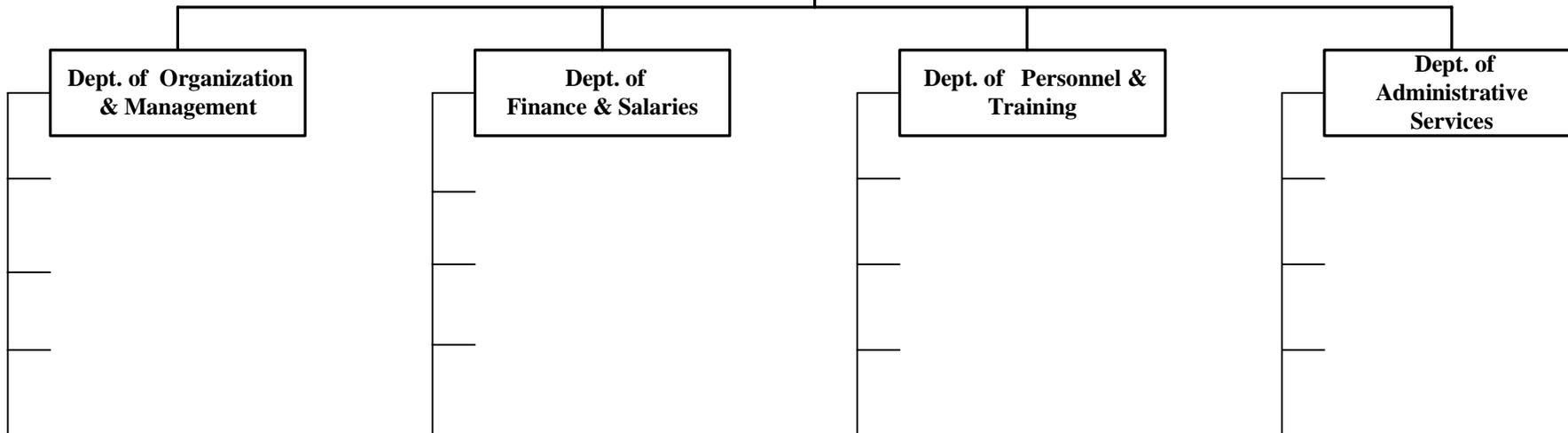
OF MINISTRY OF FOREIGN TRADE

ANNEX - M
WORKING DRAFT
ONLY FOR INTERNAL
USE
Revised June 11 2003

**FOREIGN TRADE
POLICIES SECTOR
(FTPS)**

**GENERAL DEPARTMENT OF
FTPS MANAGEMENT**

*Note: Sections under each Dept. to
be determined on the basis of nature
and volume of work*

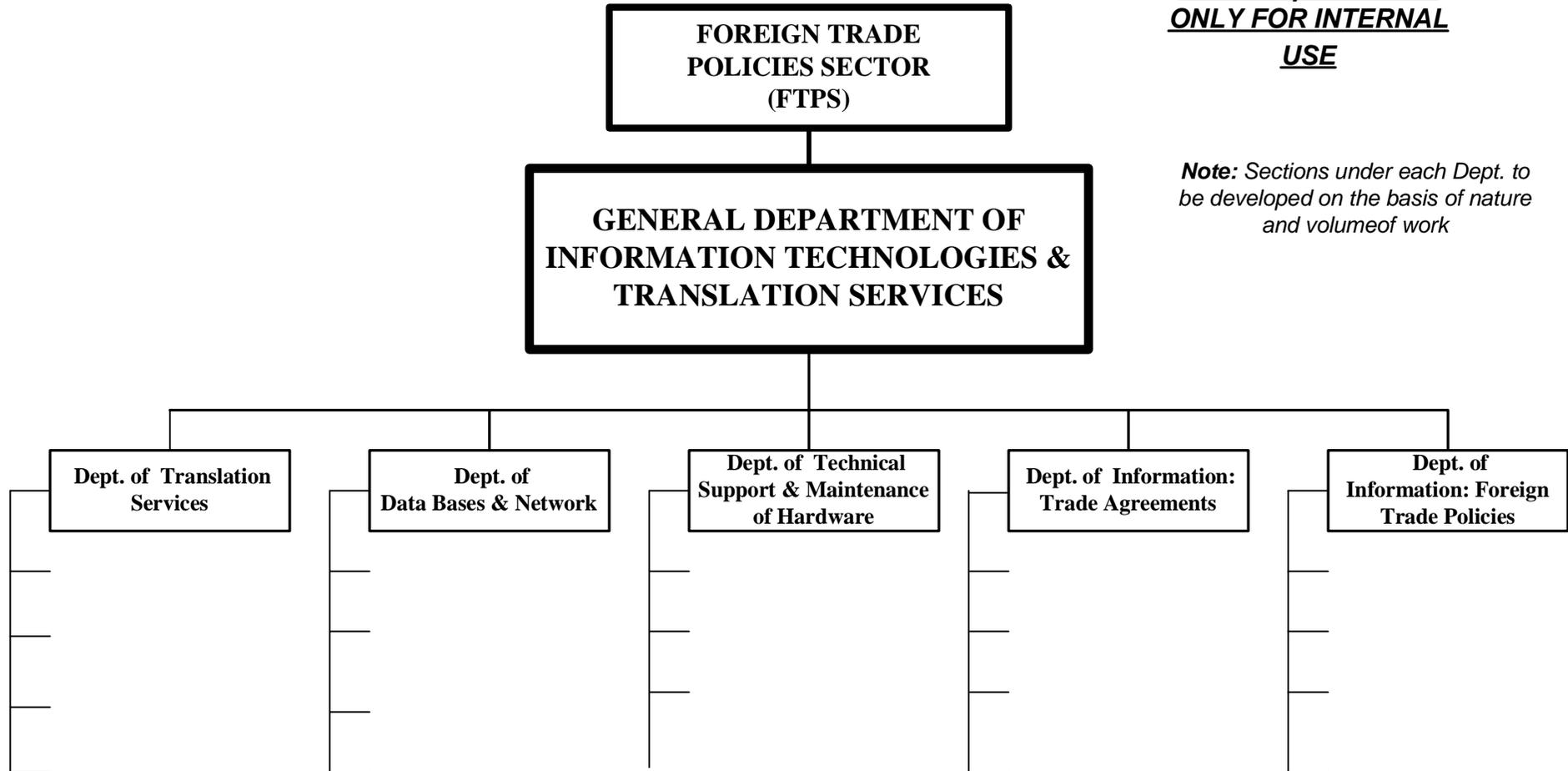


**PROPOSED ORGANIZATIONAL STRUCTURE OF
FOREIGN TRADE POLICIES SECTOR**

OF MINISTRY OF FOREIGN TRADE

ANNEX - N
WORKING DRAFT
Workshop Amended
ONLY FOR INTERNAL
USE

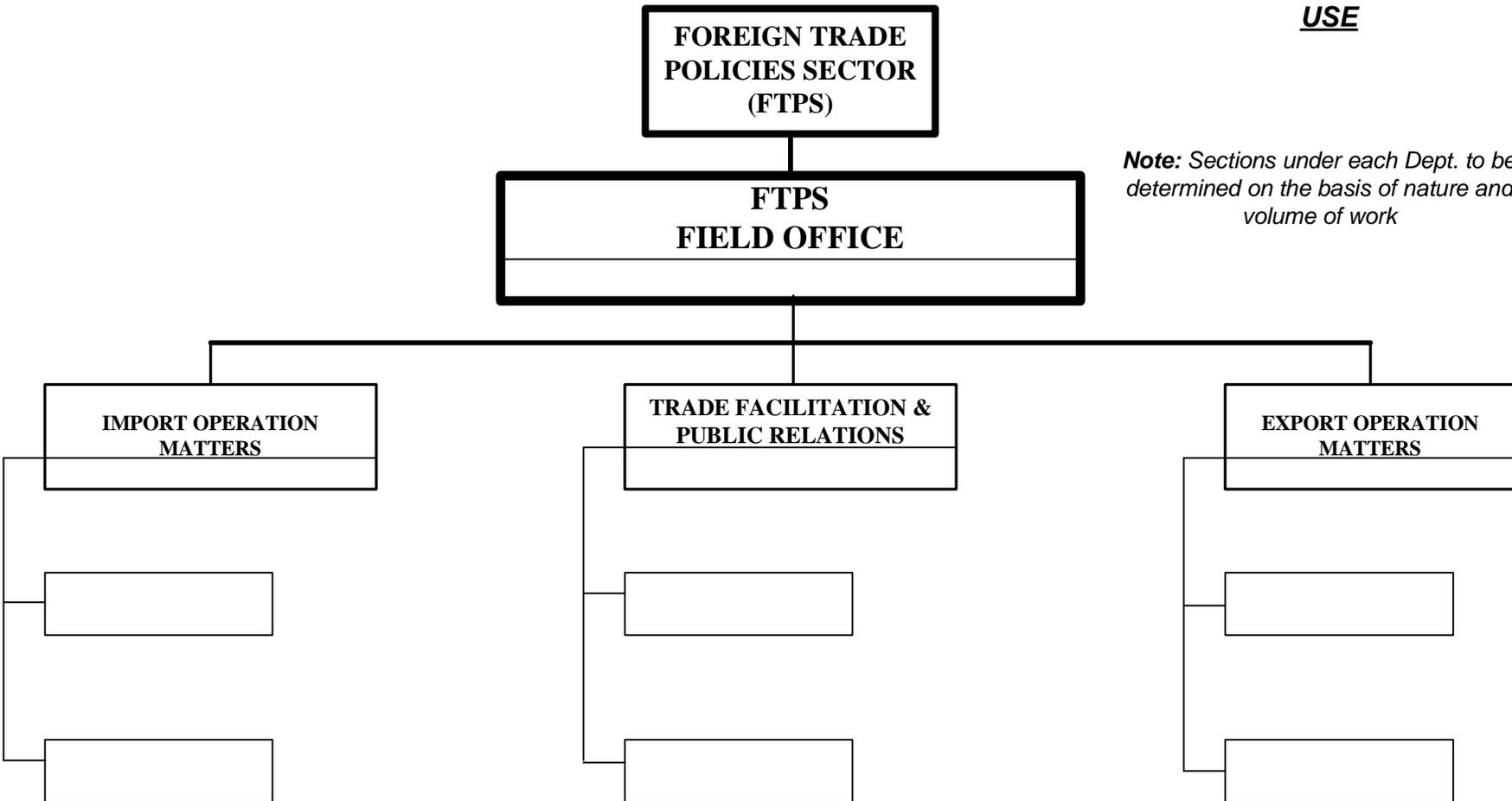
Note: Sections under each Dept. to be developed on the basis of nature and volume of work



**PROPOSED ORGANIZATIONAL STRUCTUE OF
FOREIGN TRADE POLICIES SECTOR**

OF MINISTRY OF FOREIGN TRADE

ANNEX O
Workshop Amended
WORKING DRAFT
ONLY FOR INTERNAL
USE



Note: Sections under each Dept. to be determined on the basis of nature and volume of work

48