

**DRAFT**

# Proposal for the Establishment of an Electronic Research Center for the Foreign Trade Policy Sector and the Central Department for the WTO

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# **Proposal for the Establishment of an Electronic Research Center for the Foreign Trade Policies Sector and the Central Department for the WTO**

In April of 2002, the Ministry of Foreign Trade and the United States Agency for International Development established the Assistance for Trade Reform (ATR) Project to provide technical assistance, training, and other support to the Foreign Trade Policy Sector (FTPS), Commercial Representation, General Organization for Export and Import Control (GOEIC), and the Central Department for the WTO (CD/WTO). One of the five tasks set out in the scope of work for the project is the development and implementation of an Information Technology (IT) plan. As part of the effort to develop the IT plan, an assessment of the needs for improved access to information technology for the four parts of the Ministry mentioned above was prepared and a proposal was made regarding the provision of resources to meet the most pressing of those needs, to the extent possible within the budget constraints of the project.

The needs assessment was performed from June to September 2002 and identified a number of ways in which information technology could be mobilized to improve the operations of the various units of the Ministry that were cooperating with the ATR Project. One of these projects was an Electronic Research Center (ERC) that would provide a central repository for data, reports, and other sources of information specifically on Egypt's foreign trade and more generally on the Egyptian economy. The ERC would also provide improved access to data on the world economy and acts as a focal point for economic research in FTPS and the CD/WTO.

This report outlines the proposal for the ERC by first documenting the need for the Center and then specifying the facilities, equipment and resources that the ERC should contain. This report then provides an action plan for the implementation of the ERC over the next six months. However it should be noted that the ERC must evolve over time. In this proposal this is accommodated by the establishment of a committee to oversee the operation of the ERC and by the commitment by the Ministry to provide staffing and support for the ERC over the medium to long run.

## **THE NEED FOR THE ERC**

Over the past nine months, the ATR project has been working with the staff of the Ministry on various policy issues. Through this process of collaboration and mentoring, the ATR team has noted that work often takes longer than expected because of limited access to information and analytical tools. In other circumstances, and when rigid deadlines have to be met, compromises are made on the depth of analysis or the number of angles from which a problem is assessed in the interest of delivering the work in a timely manner.

In addition, briefs and reports that staff members submit to their supervisors, the Minister, and National Committees require evaluation of issues and policies from the perspectives of domestic policy formulation and Egypt's various international commitments. Close collaboration among staff members of the Technical Office and the CD/WTO will enhance the quality of the work and simultaneously address all aspects of the problem or policy under consideration.

Currently, physical separation of the two groups and the crowded space of their offices limit opportunities of regular collaboration.

### **Improved Access to Information**

The objective of the proposed ERC is to assist the staffs of the Policy Office and the CD/WTO in acquiring the information necessary for conducting their day-to-day job responsibilities. ATR has identified a number of commercially available datasets that are becoming standard tools of trade policy evaluation in other countries to be included in the ERC. In addition, many sources of information and data in Egypt are not available in an electronic format. ATR proposes to identify, acquire and make available as many sources of data and information as possible through the ERC. Finally, a wealth of information is available over the internet. The ERC will provide fast and reliable access to the internet for research purposes.

### **Improved Access to Analytical Tools**

Many of the analytical and statistical tools for quantitatively evaluating various economic policies that previously required extensive programming, econometric and modeling skills are now available in user-friendly packages. The ERC will provide the staff of the Policy Office and the CD/WTO with access to a range of these tools. To ensure that the staff can use the tools, training in their use in the ERC will be provided as part of ATR's training activity. This will allow the staff to more effectively assess policies, thus allowing them to reinforce their positions so as to be more effective in discussions of these issues with different stakeholders.

### **Support for Training for Trade Policy Analysis**

To maximize the benefit from mentoring and short term training in economic modeling and quantitative skills, the ERC is proposed to be a permanent location where technical training in economic analysis is provided in a suitably furnished and equipped location. Furthermore, resources accumulated in the course of these training courses will be made permanently available after the completion of these sessions, thus benefiting more members of the FTPS and CD/WTO staff. As such, the ERC will become a location for regular meetings among staff members working on a specific policy/issue even after the duration of the ATR project. Also, training is not particularly useful if the trainees are not able to use their new skills on their jobs. The ERC will provide the staff with access to the tools and data necessary to continue to use and refine their skills after the formal training courses end.

### **Support for Institutional Development**

Currently, day-to-day activities of the Policy Office and the CD/WTO staffs include preparation for various committee meetings, writing briefs on the implementation of trade agreements, evaluation of positions that Egypt takes in WTO negotiations and assisting in drafting laws and regulations related to trade policy formulation. The staffs are also responsible for preparing responses to be submitted to international organizations or government bodies.

Many of these responsibilities and tasks will continue to constitute the main functions for these two groups of professionals. Yet, the institutional development efforts, which are underway in close collaboration with FTPS and CD/WTO management, will clarify these functions. Emphasis in this effort is given to identifying activities in the context of how they serve the larger

role of the sector as the primary government body responsible for proposing, monitoring and ensuring effective implementation of trade policy in Egypt.

With the institutional restructuring completed and staff members receiving training in economic analysis and quantitative and statistical analysis skills, the role of the ERC in assisting staff of the two target offices will grow. Clarity in responsibilities and enhanced opportunities for career development and promotion will create the right environment for talented staff members to utilize the ERC resources to build their capacity as potential leaders in their teams and beyond.

### **Opportunities for Collaboration**

An important objective of ATR's mentoring, institutional development and training is to strengthen the younger staff members' chances and incentives to divide work according to each individual's strength, collaborate and interact in the process of conducting their work, seek feedback and ideas from their colleagues, and be able to present and defend their ideas to others. ERC is a practical attempt to work on this objective by providing the space, the combined resources and the suitable environment for fostering this professional 'skill'. If efforts to achieve this objective pay off, the Ministry will have a chance to benefit from staff members' interaction in utilizing resources and it will also benefit from their increased confidence in the quality of the work they present to their supervisors and to others.

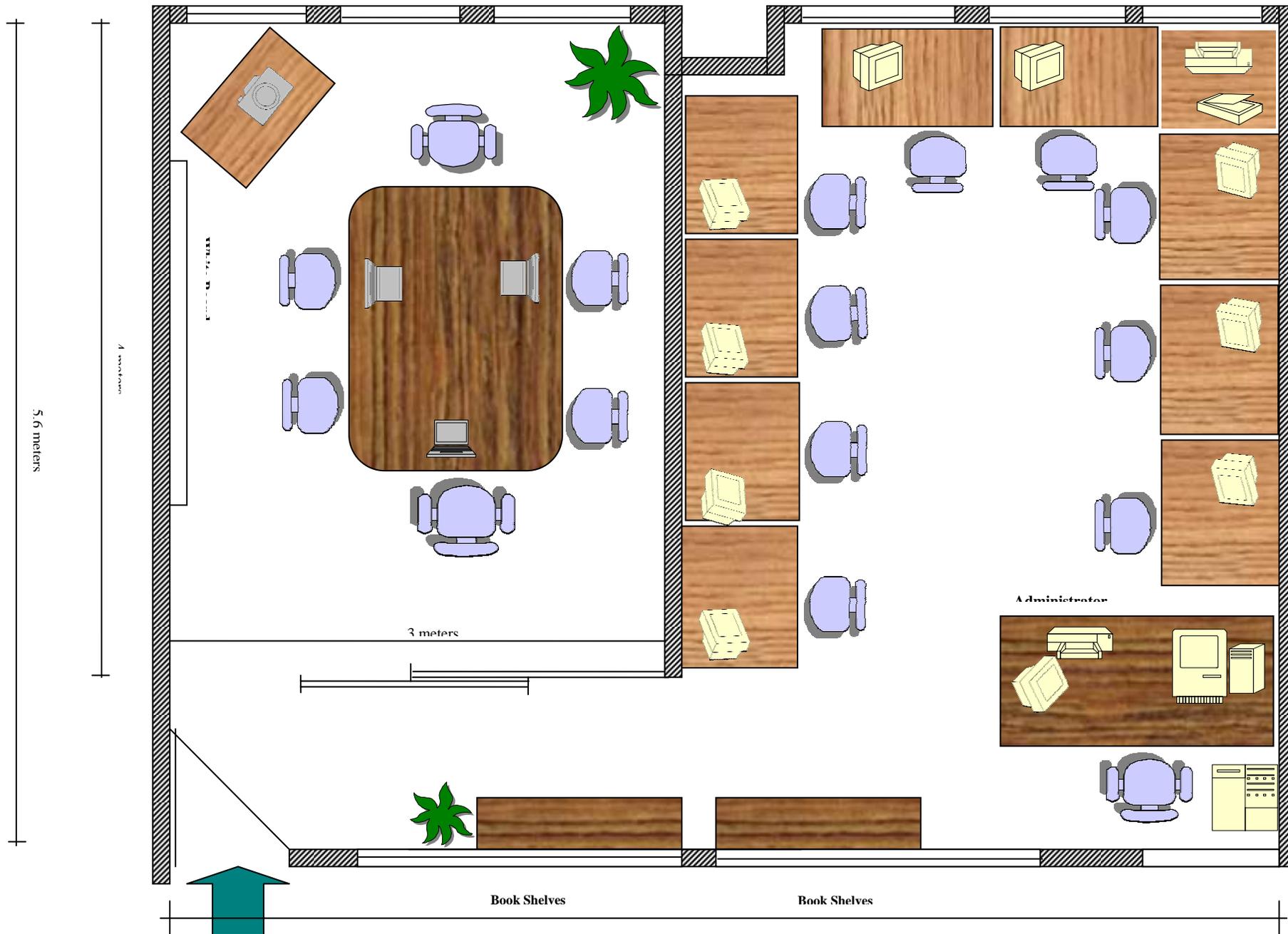
During the duration of the ATR project, the ERC will also enhance the collaboration of FTPS and CD/WTO staff with the resident ATR staff. Currently, ATR staff and the Ministry staff meet in the ATR offices, the CD/WTO, or the Policy Office as needed to evaluate policies and issues. All three places do not have the privacy, the resources or the hardware to facilitate fruitful interaction, evaluation of their work or group discussions. Moreover, the opportunities for casual collaboration among staff of different organizations that the ERC will provide will hopefully lead to a greater level of formal collaboration as the groups gain a better understanding of how their work interrelates.

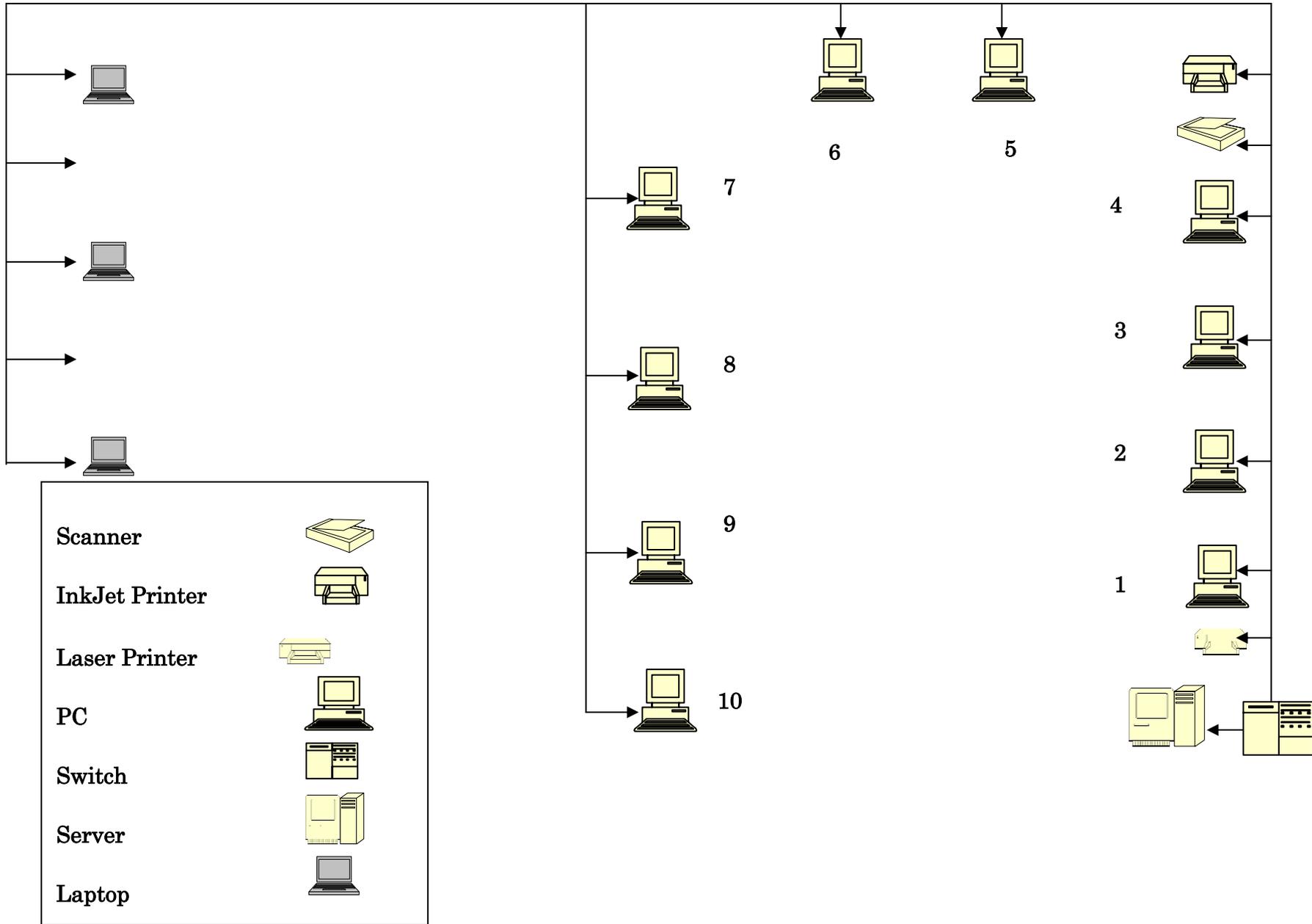
### **BENEFICIARIES OF THE ERC**

There are about 35 young professionals on the staff of the Policy Office and the CD/WTO who are anticipated to benefit from the ERC. Their education backgrounds are in economics or business. The majority of them hold Bachelor's degrees with some members currently enrolled in Masters programs. Also, under the ATR training task, 12 staff members will be funded to obtain a Masters Degree in economics, business, or public administration. Thus, in the span of the next 3-4 years, it is expected that the composition of the staffs of the Policy Office and the CD/WTO will be a combination of Bachelors and Masters Degrees with sufficient qualifications to utilize state-of-the-art economic and statistical packages, data, and electronic information sources.

At a later stage, services of the ERC could be extended to members of the Economic Research Department (10 members) and the safeguards and anti dumping department (15 members). Eventually, the ERC could be a resource for the Ministry as a whole (through an intranet) and a source of primary data available at the FTPS. It should also be considered as the foundation for the next level of interaction of FTPS with the public through a service-oriented web site that provides valuable and timely information for exporters, importers and other stakeholders.

**FOREIGN TRADE POLICIES SECTOR (FTPS)**





## DESIGN OF THE ERC

As discussed above, the basic principle behind the establishment of the ERC is that it should provide an effective space for the staff of ATR, the FTPS Policy Office, and the CD/WTO to work together on policy issues. The Proposed design of the Center intends to utilize a 7 m by 5.6 m room provided for this purpose to allow for two different sets of activities: Individual workstations from which staff members can use software or other electronic resources and a meeting area for group discussion and interaction of teams working together on various issues. By providing this in a single location, it is hoped that the staff will be encouraged to share their resources, ideas, and experiences. They will also be encouraged to breakdown tasks into manageable components, with each person responsible for clearly identified tasks that benefit from his/her personal strengths and from their experiences and familiarity with particular areas/sectors of the economy.

### Physical Layout

The Ministry of Foreign Trade has allocated a conference room on the 3<sup>rd</sup> floor of 19 Mahaad Nassr for the purpose of the ERC. The proposed design divides this room into two areas: The first area has 9 workstations for staff members to access data sources, conduct Internet searches or consult other common resources gathered for their collective use. The other area will have 1 workstation, it be a small meeting area that can be used for discussion groups. Staff members can use this area to discuss their work progress and exchange ideas and rehearse presentations. A space designated as reference library of printed material is also included in the proposed layout.

### Hardware Resources

Broadly speaking the ERC will consist of 10 networked workstations for general use, one workstation for administering the Center, one server, three notebook computers for use in the meeting room and away from the office, a data projector, a scanner, a laser printer, a color printer, and necessary network hardware. These resources will be connected to both the internet and to the ATR network. The ultimate goal will be to connect the resources of the ERC to the broader FTPS and MoFT network.

#### *Computers Networking*

The ERC Local Area Network (LAN) will have separate login information and separate data storage spaces for the staff of the different offices. Separate and secure local drives will be set up for FTPS staff as well as for CD/WTO staff and ATR staff.

A key productivity enhancement that will emerge from the ERC is rapid access to data and information on the internet. To accomplish this, a high speed internet connection is essential.

A Dedicated Internet connection gives the users continuous access to the Internet from one or more hosts in the local area network. A Point-to-Point Leased Line Internet connection is recommended for full-time access, it is recommended to start with 512K band-width and scale up as needed.

A secure wireless network will be installed so that access to the network will be readily available to staff using laptop computers in the meeting room area. This will also allow additional users to access the system from within the ERC should they have notebook computers

and the necessary networking hardware without the need to install a large number of additional network drops.

To improve the security of the network, hardware firewall will be installed between the ERC and the internet and the ERC network and any other networks within the Ministry of Foreign Trade that may be connected to the ERC network. Individual workstations will have basic firewall software installed either through the operating system or through purchased software.

For the life of the ATR project, ATR will support the high speed internet connection provided to the ERC and shared with ATR. FTPS has agreed to continue support for the internet connection at the end of the ATR project.

### **Software Resources**

After discussion with the staff of the Policy Office and members of the CD/WTO as well as consultation with the leadership of FTPS and the CD/WTO, a number of economic, statistical software packages that should be available for these teams have been identified. These include PC-Give, Stata, SPSS, and Eviews (statistical and econometric packages), StatTransfer (data conversion software) and GAMS and GEMPack (computable general equilibrium modeling software.) In addition, basic office function software (Microsoft Office), virus protection software (Norton Antivirus), report publishing (Adobe Acrobat), web design software (Microsoft Front Page), and photograph manipulation software (Adobe Photoshop) are proposed as software resources for the ERC. Finally, it is important to establish an archive of articles and other information collected by the staff of FTPS and ATR as well as electronic copies of all documents prepared by these groups for reference in the work of the Ministry. This archive will be maintained on the ERC server and will be made accessible through full-text searching software.

Some items have already been ordered under the Task 2 mentoring in trade liberalization and WTO task and have been received. Additional copies and other resources are added to the ERC software resources to make available more resources to the teams. A detailed specification of the software to be procured is attached to the end of this report.

While the ATR project is in operation, the project will acquire and pay for such software upgrades as may prove necessary. FTPS has agreed to take over responsibility for software maintenance at the end of the ATR project.

### **Data and Information**

Ultimately the success of the ERC will depend on whether the staff using the Center will be able to readily find the data that they need to do their work. The ATR mentoring team, through discussion with FTPS and CD/WTO staff has identified a number of data needs for effective policy evaluation. These data are grouped primarily in detailed and up-to-date Egyptian data and widely-circulated international data sets for country comparisons.

For Egyptian data, and because some of these data are not available electronically, work is still ongoing on how to best utilize ATR's contacts and resources to identify resources that have been developed and used by USAID funded projects, research centers and other sources. Also

some of the proposed sources of Egyptian data are primary data that have to be gathered from primary sources such as resources at FTPS and the CD/WTO.

### *Egyptian Data*

- *CAPMAS data*: These data need to be stored in formats that address the policy-evaluation needs of the staff. Comprehensive sector data including employment, value-added, size distribution, public sector participation, etc. is an example.
- *Egyptian Laws*: 6-CDs of 'Tashriaat' Commerce related laws and executive regulations in Arabic. Hardcopies of English translations of some of these laws could also be provided.
- *Archive of USAID-sponsored studies of the Egyptian economy*: Previous and current USAID funded projects can be included in this library; Links when full-text is available publicly, otherwise purchase access or other access arrangement.
- *Comprehensive contact list*: Access: driven database of contacts in other sectors, ministries, and other government bodies to facilitate sharing information or contacting these entities.
- *Press archive*: An archive of Egyptian and foreign newspaper coverage of trade-related issues;
- *Bilateral and Regional Agreements*: Text in English and Arabic, commitments and implementation status;
- *Tariff schedules*: Tariff rates electronically stored to allow summary statistics, time trends, tariffs by agreement, etc.

### *International Resources*

- *Data*: International Financial Statistics (IFS), World Development Indicators, Trade Map, Eurostat, are examples of datasets that are available for countries. Access to these data sets allow policy makers compare Egyptian indicators to those of other countries.
- *Archive of International Organizations' research*: An electronic library (database) of relevant to data sources International Organizations' reports and studies classified by key words, authors, institutions, etc.

### *WTO Resources*

- *WTO Agreements*: text of all WTO Agreements in English and Arabic;
- *Archive of Egypt's notifications and responses to inquiries*: notifications to the WTO, responses to requests and other correspondence. This should be a consolidated source of related information that is available to FTPS, Commercial Representation, and other bodies in the Ministry. This should be the 'institutional memory' to be consulted when responding to inquiries from domestic or international sources;
- *Trade Policy Reviews*: Egypt's and other countries

- *Egypt's WTO schedules of commitments*: An Archive of Egypt's Commitments under various WTO Agreements, in English and Arabic
- *Egypt Disputes*: Antidumping, subsidies, TBT, etc.
- *WTO reference documents*: such as research, training on a specific issue and others;

#### *Ministry of Foreign Trade Documents*

- *FTPS periodic reports*: Electronic archive of FTPS departments periodic reports, including commodity reports produced by the import and export departments, any work conducted for the commodity councils, and others;
- *Briefs and memos*: submitted to the Minister, to Trade and WTO Councils and others the High National Council and others from each of the beneficiary departments.
- *Ministerial Decrees*: Catalogue or archive of Ministerial Decrees of the MOFT;
- *Ongoing research*: Documentation of ongoing work or research plan for different staff members to be informed of work in the pipeline;
- *GOEIC's white list*: identify policy bottlenecks and other information that can be used by FTPS to improve, clarify, or simplify patterns;

#### *Other Materials*

- *Conference Materials*: Electronic copies of conference materials attended by members of the FTPS/CDWTO teams;
- *Training Materials*: A database of training material received in various training programs where FTPS/CDWTO staff members participated;
- *Books and Periodicals*: An initial library of books and periodicals on trade policy will be provided for the ERC. ATR will entertain specific requests to acquire additional books on an as needed basis, as it is already doing. It is expected that most, if not all of the materials that ATR provides to the Ministry will ultimately be stored in the ERC library;

### OPERATION OF THE ERC

FTPS will provide one staff member to act as fulltime administrator for the ERC. This person will be in charge of managing the day-to-day operation of the ERC and ensuring that necessary technical support is obtained when needed. The information technology office of FTPS will be responsible for technical support for the ERC. To assist in supporting the Center, extended warranty arrangements will be sought for all equipment purchased for the ERC. Consumable goods such as paper, toner cartridges, blank CDs, etc., after initial supplies provided at inception, will be provided by FTPS, as will maintenance beyond that covered by extended warranties. ATR will provide the connection to the internet for the ERC by connecting the ERC to the ATR network. When FTPS moves to the new building in Nasr City networking needs will be re-evaluated.

It is expected that ATR will provide materials for the research library of the ERC throughout the life of the project as needs arise. Subscriptions to key journals and magazines will be provided as well as subscriptions to key on-line resources.

## ACTION PLAN FOR IMPLEMENTING THE ERC

Implementation of the ERC has already begun as ATR and the Policy Office have already begun collecting documents for use in the various databases that will form part of the ERC. Efforts have already begun to collect data and to purchase a limited number of software licenses for various products. Hardware procurement will begin immediately upon obtaining USAID approval of the ERC and will take three to five months.

To enable the ERC to begin operations more quickly, ATR will temporarily provide one or two computers that it has for consultants for use in the Center. Thus, the acquisition of the high speed internet connection will begin immediately as will the collection of data and documents. This will enable the ERC to be fully operational shortly after the procured equipment is installed.

Table 1 below sets out the proposed time line for implementation of the ERC.

Table 1. Timeline for Implementing the Electronic Research Center

Approval of the ERC Proposal by FTFS  
Approval of the ERC Proposal by USAID, including IRM  
Procurement of hardware, software and data for the ERC  
Development of databases for use in the ERC  
Installation of hardware, software, and data  
Opening of the ERC

## DETAILED IT EQUIPMENT REQUIREMENTS

Given the size of the room supplied by the Ministry and our desire to ensure that the ERC is conducive to collaborative work, we believe that the space can hold at most 10 workstations, the server, and the LAN equipment. This will be augmented by three laptop computers with wireless network capability. Those laptops, when not used on trips outside of the Ministry, will be available for use in conference section of the ERC. This will mean that the ERC will be able to handle up to 13 active researchers at a time as well as the ERC administrator. It is our understanding that the space for the ERC in the Ministry's new building will be larger. Once the move is complete, such additional workstations and other equipment will be acquired for the ERC.

Based on the above, the hardware required to implement the ERC is as follows:

- 10 workstations: Pentium 4 @2.4 gigahz or better, 512 meg memory, 40 gigabyte HD, 3.5" floppy drive, CD/RW, graphics adapter with 32 meg memory, 15" LCD display, 100 base-t Ethernet, Arabic/English keyboard, mouse, Microsoft Windows XP Professional.
- 1 server: Pentium 4/Xeon @2.4 gigahz or better, 1 gigabyte memory, raid controller, 2x36 gigabyte HD, 3.5" floppy, CD-R/W, integrated graphics 8

meg, 17" CRT monitor, 100 base-t Ethernet, Arabic/English keyboard, mouse, Windows 2000 server.

3 laptop computers: Mobile Pentium 4/Centrino @1.6 gighz or better, 512 meg memory, 20 gigabyte HD, 3.5" floppy drive, CD/RW, graphics adapter with 32 meg memory, 14" LCD screen, 802.11 b/g networking, 10/100 base-t Ethernet adapter, 56K v.92 modem.

1 HP LaserJet 1300n network printer

1 HP DeskJet 656C color printer

1 HP ScanJet 2300c scanner

1 color LCD projector (HP digital projector sb21 or similar)

1 24 port network hub

1 802.11g base station

Note that we are recommending LCD monitors for the workstations in order to preserve desktop space work papers. Network wiring will need to be acquired to connect the various computers and servers.

In addition, to facilitate interaction with researchers elsewhere in Egypt and the world and to permit discussions between FTPS staff and other participants in multinational trade negotiations, the ERC will include computer peripherals to permit videoconferencing over IP. This will involve a dedicated video camera for this purpose and the necessary software to permit individual videoconferencing.

#### NON-IT EQUIPMENT AND FIXTURE REQUIREMENTS

ATR will provide the furniture for the ERC consisting of 10 computer desks, one conference table, one large book case, and 20 chairs in addition to the necessary modifications to the existing room to divide it into two separate parts.

#### DETAILED SOFTWARE REQUIREMENTS

In addition to the software already purchased as part of the mentoring process under ATR, we propose acquiring the following software packages:

<i>Office Software:</i>	<u>Copies</u>
Microsoft Office Professional	16
Norton Antivirus	16
 <i>Statistical Software:</i>	
Eviews/PC-GIVE	16

Stata	8
SPSS	8
StatTransfer	4
Adobe Acrobat	4
Front Page	1
Photoshop	1
 <i>Modeling Software:</i>	
GAMS	16
GTAP	5

#### DETAILED DATA ACQUISITION REQUIREMENTS

Initially, the ERC will be provided with the following data resources, in addition to those already owned by ATR and FTPS:

- IMF International Financial Statistics CD-ROM
- IMF Direction of Trade CD-ROM
- World Development Indicators
- Eurostat European Trade CD-ROM
- PC/TAS

Data from CAPMAS will also be collected and organized as will information on Egyptian laws and on WTO agreements.