

UNCLASSIFIED

INTERNATIONAL DEVELOPMENT

COOPERATION AGENCY

AGENCY FOR INTERNATIONAL DEVELOPMENT

Washington, D.C. 20523

PROJECT PAPER

EGYPT

UNIVERSITY LINKAGES

PROJECT NO. 263-0118

GRANT

1980

UNCLASSIFIED

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AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET	1. TRANSACTION CODE <input type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number _____	DOCUMENT CODE 3
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2. COUNTRY/ENTITY EGYPT	3. PROJECT NUMBER 263-0118
4. BUREAU/OFFICE NE 03	5. PROJECT TITLE (maximum 40 characters) University Linkages

6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 09 30 85	7. ESTIMATED DATE OF OBLIGATION (Under 'B' below, enter 1, 2, 3, or 4) A. Initial FY 80 B. Quarter 4 C. Final FY 85
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8. COSTS (\$000 OR EQUIVALENT \$1 = .70 PT)						
A. FUNDING SOURCE	FIRST FY 80			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	15,500	12,000	27,500	15,500	12,000	27,500
(Grant)	(15,500)	(12,000)	(27,500)	(15,500)	(12,000)	(27,500)
(Loan)	()	()	()	()	()	()
Other J.S.						
1.						
2.						
Host Country		6,320	6,320		6,320	6,320
Other Donor(s)						
TOTALS	15,500	18,320	33,820	15,500	18,320	33,820

9. SCHEDULE OF AID FUNDING (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
1) ESF	750	968				27,500		27,500	
2)									
3)									
4)									
TOTALS						27,500		27,500	

0. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each) 963 973 978	11. SECONDARY PURPOSE CODE _____
2. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each) A. Code RGEN B. Amount 27,500	

3. PROJECT PURPOSE (maximum 480 characters)

To engage Egyptian University Faculty in Egyptian development problem solving

6. SCHEDULED EVALUATIONS Interim MM YY MM YY Final MM YY 10 82 10 85 10 87	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input checked="" type="checkbox"/> 000 <input type="checkbox"/> 941 <input checked="" type="checkbox"/> Local <input type="checkbox"/> Other (Specify) _____
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4. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

17. APPROVED BY	Signature Title Acting Director	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY 08 27 80
	Date Signed MM DD YY 08 11 87	

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UNIVERSITY LINKAGES PROJECT

ARAB REPUBLIC OF EGYPT

I. SUMMARY AND RECOMMENDATIONS

A. Grantee: The Government of the Arab Republic of Egypt

B. Grant: A grant not to exceed \$27.5 million (Twenty-seven million, five hundred thousand U.S. dollars) to assist in financing both local and foreign exchange costs of collaborative U.S. and Egyptian university activities focused on development problem solving and related university capacity building.

(\$000 Equivalent)

	<u>FX</u>	<u>LC</u>	<u>TOTAL</u>	<u>PERCENT</u>
AID Grant	15,500	12,000	27,500	81.3
GOE	-	6,320	6,320	18.7
TOTAL	15,500	18,320	33,820	100.0

C. Terms: A grant.

D. Project Cost and Disbursement: The total cost of the activities to be financed under this project is estimated to be \$33.820 million equivalent. Both local cost and foreign exchange portions of the AID grant will be disbursed to the FRCU on the basis of monthly requests for replenishment of a working capital advance.^{1/} The FRCU will, in turn, make disbursements to sub-grantees, suppliers, etc. All disbursements made by the FRCU will be administered and accounted for in accordance with AID Handbook 13 and other relevant Handbook provisions, with the assistance of the long-term U.S. contractor. Technical assistance and training will be obtained under a host country contract with disbursements under an AID direct letter of commitment.

E. Description of Project: The project consists of two parts. Phase I of the project provides assistance in setting up a grants commission Operation within the Egyptian Supreme Council of Universities (SCU), capable of administering all aspects of a collaborative U.S.-Egyptian university grant program. During Phase I a long-term U.S. grants foundation contractor will work with the SCU's newly created Foreign Relations Coordination Unit (FRCU) to formulate an organization structure, operating and administrative procedures, and grant cycle guidelines sufficient to meet project purpose and relevant AID Handbook requirements, FRCU manpower,

^{1/} Definitions and acronyms appear in Annex II.

training, and equipment needs will be identified and procured during this phase. A small trial grant program will be initiated to test preliminary grant cycle concepts.

Full grant operations will commence in Phase II of the project and will be undertaken for four annual cycles. The grant process formulated in Phase I will be used to make awards each year by the SCU for collaborative activities between U.S. and Egyptian universities focused on Egyptian development problem solving and related university capacity building.

- F. Summary Findings: Egyptian universities, although representing an extremely important source of the requisite skills, do not tend to work on Egyptian development problems. The reasons underlying this situation are many, but central to the problem is an academic tradition which favors basic research over applied research. Basic research leading to publication tends to result in promotion. Applied research does not. Compounding the problem is a general lack of monetary incentives and organized opportunities to work on applied development problem solving. Further complicating the situation are the gaps in knowledge and experience of many Egyptian university faculty in dealing with practical development problem solving.

A grant program funding collaborative U.S.-Egyptian university activities, rationalized in terms of development problem solving, potentially addresses the factors limiting Egyptian faculty participation. The University Linkages Project offers a source of status outside normal academic research, provides the opportunity and compensation for engaging in development problem solving, and provides the means for meeting the gaps in necessary knowledge and experience.

- G. Statutory Checklist: The project meets all applicable statutory criteria and certifications (see Annex XIX).
- H. Request for 612(b) Determination: It is recommended that a determination be made under Section 612(b) of the Foreign Assistance Act to permit dollar financing of local currency costs, which represent 43.6% of the AID grant. See Annex XVIII.
- I. A.I.D. Funding Source: Economic Support Fund.
- J. Mission Views: The Ambassador and Mission Director support the project.
- K. Issues: None.
- L. Recommendations: That a grant in the amount of U.S. \$27.5 million be authorized on the terms and conditions set forth herein.

II. BACKGROUND

A. The Problem

The problem, put simply, is that Egyptian universities do not contribute to Egyptian development problem solving in proportion to their potential.

Despite the immense number and variety of highly trained Egyptian citizens, many of the decisions and much of the effort on its economic and social development problems fail to draw upon this indigenous resource. In particular, Egyptian university faculties probably represent the largest, relatively untapped development skill resource bank in Egypt. Although the potential of Egyptian universities as a development resource is recognized by the GOE, few substantive efforts to mobilize this talent have been made to date and no comprehensive efforts are currently underway.^{2/}

It is not surprising that most of the basic skills needed for working on development problems in Egypt are available in its universities. What is surprising is that Egyptian university faculty do not tend to work on Egyptian development problems. University faculty tend to work on basic academic research while development problems generally tend to require an applied, utilitarian problem solving approach. Further, although there is no question that the basic technical skills are generally available, Egyptian faculties often lack state-of-the-art knowledge or experience in dealing with development problem areas. The result of all of this is that we find much of the advice and research on Egyptian development problems today either comes from foreigners or simply is not subjected to the interrogation of the best Egyptian minds.

Magnitude of Resource. There are 11 universities in Egypt belonging to the SCU that comprise 132 faculties and institutes with approximately 7,600 Ph.D. faculty at assistant professor level or above. There are also approximately 12,000 graduate teaching assistants. In addition, there are over 50,000 students engaged in graduate level studies. Sixteen broad discipline areas are represented with numerous subject areas under most disciplines. See Annex IV for summary data.

Incentives and Opportunities. The tendency of Egyptian university faculties not to focus their intellect upon Egypt's development problems is thought to be the result of many factors. They can, however, be generally summarized under the headings of incentive structures and lack of organized and funded development problem solving opportunities.

^{2/} The Egyptian Government in conjunction with AID has initiated two projects, Applied Science and Technology Research (263-0016) and Development Planning Studies (263-0061), that have focused, in varying degree, on the question of engaging high level indigenous skills for work on Egyptian development problems. The former project is concerned with research efforts throughout the Egyptian society, peripherally including the universities. The latter project is focused entirely on Cairo University.

Present incentive systems in Egypt do not induce indigenous development oriented problem solving. Incentive structures for university faculty tend to favor basic research. Promotions, status, and to a lesser extent salary, all depend importantly upon academic research.^{3/} However, only traditional basic research tends to be "acceptable" for attaining all of the above. Thus, although research per se is important to Egyptian faculty, applied research or problem solving activities related to Egyptian development problems is not.

To make matters worse there do not tend to be alternative organized or funded development problem solving opportunities available to Egyptian university faculty. Egyptian universities themselves do not have development oriented programs or institutes.^{4/} Other sectors of the economy do not tend to have development centers or institutes.^{5/} And neither the Egyptian Government nor the public or private sectors have become used to the idea of using or paying for Egyptian consultants or of approaching universities for these services.^{6/} Although there are some exceptions, in general, universities do not expect to be approached nor does Government or the public and private sectors expect to find answers. The tradition does not exist. Organizational structures do not exist. Funding is not offered.

^{3/} Salary levels, although dependent upon rank (i.e. promotions), tend to be more dependent upon longevity. Other amenities, however, such as a smaller base teaching load, and hence higher hourly pay, increase with rank. Importantly, faculty members are not paid for research time but only for the size of their teaching load. The exception to this is external research projects having their own budgets in which the university participates. Indeed, university budgets do not have a line item for research. See Annex III for a discussion of faculty income and salaries and the role of research therein.

^{4/} An exception to this is the Center for Development Research and Technological Planning currently being set up at Cairo University with the assistance of MIT under the Development Planning Studies Project (263-0061).

^{5/} Many research centers exist throughout the Egyptian economy as noted in the Applied Science and Technology Project Paper (263-0016). However, much of the research is not directly development related and access for university faculty is limited. The Academy for Scientific Research and Technology, for example, has limited funds available for university faculty to work potentially on a variety of topics. In practice, actual expenditures have been small.

^{6/} See the Development Planning Studies Project Paper (263-0061) for an elaboration of this concern. This project is one attempt to attack this problem, although it focuses solely on Cairo University.

Thus, whatever potential interest in Egyptian development problems that might exist among university faculty is stifled by lack of demand either from within the university or from without. Under the present system the opportunities for university faculty to work directly on social and economic development problems are small and the incentives few.

Knowledge and Experience. There is a further component to the problem, however. Because of academic tradition, because of the lack of opportunity, and because of the relative isolation from outside university contact, Egyptian university faculty generally have little state-of-the-art knowledge and experience in dealing with specific development problem areas. Two negative implications of this situation are immediately evident. Egyptian faculty, given the opportunity to work on development problems, may spend a great deal of time obtaining background knowledge and may have difficulty inspiring confidence in potential users of their services who are aware of this inexperience. Neither of these potential difficulties should be taken lightly. Even assuming that university faculty are induced to work on development problems, the need remains to fill gaps in knowledge and experience.

Collaborative efforts involving organizations with extensive experience in development work offer a potentially simple way of overcoming the twin problems of state-of-the-art knowledge and experience. U.S. universities and their faculties have invested an immense effort on development problems over the last 30 years. They are considered particularly well suited for the collaborative role by USAID both because of this experience and because of the high value placed on this type of relationship by Egyptian universities.

B. Project Description

The University Linkages Project will provide a \$27.5 million AID grant to the Supreme Council of Universities. The grant will be used (i) to fund collaborative activities between U.S. and Egyptian universities focused on Egyptian development problem solving and related university capacity building, and (ii) to develop and support the newly created Foreign Relations Coordination Unit within the SCU to administer the program.

Most of the AID grant will be used to provide sub-grants to assist in the finance of collaborative U.S.-Egyptian university activities focused on development problem solving and related university capacity building. A portion of the grant will be used for technical assistance, training, and commodities to assist the FRCU in formulating and managing the grant process.

The project will be implemented in two phases. Phase I, lasting approximately one year, will concentrate on bringing the grants operation process to operational status. Phase II will undertake full grant operations for four annual cycles. A long-term U.S. contractor will work with the FRCU in both Phase I and Phase II to assist in the development and management of the FRCU and the grant process.

The FRCU will have daily management and administrative responsibility for the project. A Joint U.S.-Egyptian Executive Board will provide overall policy guidance and approve major awards. Advisory committees with representative membership, both from within and without the universities, will provide necessary technical backstopping to the FRCU. Joint U.S.-Egyptian Linkage Advisory Committees will be formed for each major linkage with the membership largely drawn from the specific linkage in question.

Both the GOE and AID encourage the participation of U.S. minority colleges and universities in project linkage activities. Accordingly, \$2,500,000 of the total \$27,500,000 authorized, is to be set aside for linkages with U.S. minority institutions. A designation of U.S. minority institutions eligible for linkage activities will be detailed in an implementation letter prior to the disbursement of any of the \$2,500,000 reserved for this purpose. Any portion of the \$2,500,000 set aside for minority institutions which remains unobligated at the end of three years following the signing of the Grant Agreement will revert to project general use.

C. Logical Framework

UNIVERSITY LINKAGES

General Statement	Quantifiable Indicators	Means of Ascertaining Accomplishment	Important Assumptions
GOAL			
- To increase Egyptian productivity and the PQLI	(i) National Income Statistics (ii) Physical Quality of Life Index (PQLI)	(i) Analysis of statistics	(i) Events external to the project do not obscure project effect (ii) Information generated by the project is disseminated and acted upon
PURPOSE			
- To engage Egyptian university faculty in Egyptian development problem solving	(i) Egyptian faculty time engaged in development problem solving	(i) Baseline survey by FRCU (ii) Post project survey by FRCU	(i) Egyptian faculty can be motivated to do development problem solving by provision of opportunities and monetary compensation (ii) Problem solving capacity can be enhanced by on-the-job collaboration and other activities with experienced U.S. faculty
OUTPUTS			
- Grant award process - Collaborative development problem solving activities - Collaborative university capacity building activities - Informed potential users, publicity of project	(i) Establishment of organization, procedures and guidelines for FRCU and related committees (ii) Approved linkage proposals (iii) Completed linkage activities (iv) Contact with potential GOE, public sector and private sector users (v) Distribution of results	(i) FRCU Quarterly Progress Reports (ii) Physical inspection by AID Project Manager (iii) Sample survey interviews during interim and post project evaluation	(i) FRCU can be developed to direct an effective grants commission operation (ii) Advisory Committees and Executive Board function as intended (iii) Serious effort is made at liaison with potential users of problem solving and in distributing project results
INPUTS			
- AID grant - Technical assistance/training - Commodities - FRCU facilities and personnel - Egyptian faculty and facilities - U.S. faculty and facilities - Advisory Committees and Boards	(i) \$27.5 million grant (ii) U.S. Contractor: - 48 months Sr. Advisor - 24 months Ass't. Advisor - 24 months short-term consultants - 24 person months U.S. training -in-country training program (iii) FRCU equipped per contractor's recommendation (estimated \$0.2 million) (iv) Linkage commodities (estimated \$4.4 million) (v) FRCU facilities and personnel as recommended by contractor	(i) Project Grant Agreement (ii) Host Country Contract (iii) FRCU Quarterly Progress Reports (iv) AID inspection	(i) U.S. and Egyptian universities are willing to participate in cost sharing linkage activities (ii) Egyptian compensation guidelines for FRCU employees and linkage faculty participants are adequately resolved by GOE prior to Phase II

D. Rationale for U.S. Assistance

GOE Priorities. The Government of Egypt, on numerous occasions in recent years, has noted and stressed the need to involve its universities more actively in working on the development process. There is concern that the potential of the universities be effectively utilized in support of Egyptian social, cultural, and development objectives. This concern is reflected in the mandate given to the central policy coordinating body of Egyptian universities, the SCU, to delineate "... the general policy of university education and scientific research in universities, operating towards its orientation and coordination so as to meet and attain national objectives in social, economic, cultural, and scientific development plans."

USAID CDSS Objectives. The proposed project is broadly in line with the second and third of the three primary criteria underlying the strategy of the current five year CDSS period, i.e. productivity and equity. The project would be expected to affect productivity and equity indirectly, by providing information and analysis that, if acted upon, would positively affect national income and the PQLI. The project would also meet other U.S. concerns. University faculty are a socially and politically powerful force in Egyptian society. They are a highly vocal, exceedingly articulate group. As such, they represent a potentially powerful development force over and above their inherent technical skills. By involving university faculty directly in the development process as suggested in the proposed project the interest and weight of this influential group may be more positively placed behind the process of Egyptian development.

E. Relationship to Other AID Projects

Two AID projects, previously mentioned, have some similarities with the University Linkages Project. The Applied Science and Technology Research Project (263-0016) is a broad based attempt to "... reorient Egypt's S&T community through a variety of means by working through the Academy of Scientific Research and Technology. The project does not support specific university based activities. However, project evaluators concluded in April 1980 that the role of the university community in applying science and technology to development should be increased. "This should include selective institutional arrangements which allow faculty to participate in problem-solving activities and to involve their students in practical 'hands-on' learning environments."^{7/}

^{7/} "U.S. Cooperation with Egypt in Science and Technology," by Princeton Lyman, Hermann Pollack, Courtney Nelson, and Carl Gotsch, April 1980. Prepared for USAID/Cairo.

The second project, Development Planning Studies (263-0061), is a joint project between Cairo University and MIT that has as its purpose the establishment of a Center for Development Research and Technological Planning at Cairo University and the conduct of joint development research. The project has completed several development studies to date and is being extended for an additional three years. The project is limited to Cairo University.

The Project Committee believes the University Linkages Project is consistent with, and will complement, the above projects.

III. PROJECT SPECIFIC ANALYSIS

A. Technical Analysis

1. General Description.

The purpose of the project is to engage Egyptian university faculty in Egyptian development problem solving. This is to be accomplished by setting up a grant award process in Egypt that will fund collaborative U.S.-Egyptian university activities focused on Egyptian development problem solving and related university capacity building. A \$27.5 million AID grant for this purpose will be provided to the SCU.

The project will finance two basic categories of joint U.S.-Egyptian university activities: (i) direct problem solving focused on priority Egyptian development problem areas, and (ii) university capacity building in support of direct problem solving, or justified in terms of eventual importance to the Egyptian development effort. A listing of eligible activities justifying expenditure is set out in Table I at the end of this section. Specific discussion of the activities is contained in Annex XXII.

Activities will be carried out under two types of university linkages: (i) maxi-linkages, defined as relatively comprehensive long-term, multi-activity linkages between the same set of Egyptian and American universities focused on a single problem area, and (ii) mini-linkages, defined as low cost single/multiple activity linkages between the same set of Egyptian and American universities, probably focused on one aspect of a single problem area. Both types of linkages are concerned with involving Egyptian universities more heavily in the development process by inducing faculty members to work directly on development problem solving. The approach in both cases is collaborative, Egyptian university faculty members working with U.S. university faculty members. The principal difference in the two approaches is the intensity, longevity, and cost of the set of activities making up a problem solving or capacity building effort.

The University Linkages Project will consist of two phases. During Phase I the grant award process will be formulated and brought to operational status with the assistance of a long-term U.S. contractor with expertise in grants foundation operations. A small trial grant award program, limited to mini-linkages, will be undertaken as a learning device. Phase I is expected to last approximately one year.

Phase II will commence full grant operations for both maxi- and mini-linkages and will cover four years. The grant award cycle will be repeated on an annual basis during Phase II. The long-term contractor will continue to work with the FRCU during this period.

Table I
University Linkages
Eligible Linkage Activities^{1/}

- I. Direct Problem Solving^{2/}
- Joint research (w/GOE, Public Sector, and/or Private Sector in advisory role)
 - Joint seminars/workshops/conferences (w/GOE, Public Sector and Private Sector invited)
 - Joint consultative/advisory roles (w/GOE, Public Sector, and/or Private Sector as team members)
- II. Capacity Building^{3/}
- Faculty exchange
 - Joint seminars/workshops/conferences between linkage universities (w/possible GOE, Public Sector or Private Sector participation)
 - One way U.S. consultative/advisory role
 - U.S. graduate study for Egyptians

^{1/} See Annex XXII for an elaboration of the intent behind each activity.

^{2/} It is intended that problem solving activities will reflect the priorities of Egyptian development needs as defined by Egyptians. The current Five-Year Plan (1980-1984) is to be used as the fundamental guide in the selection and prioritization of development problem areas under the university linkages problem identification procedure (see Annex XIV). Because of the essential complementarity between expressed Egyptian objectives and priorities and AID New Directions policies, it is expected that the sectoral priorities of agriculture and rural development, population and health, and education and human resources will be amply addressed. It is understood that standard AID restrictions (AID Handbook 1) will be observed relating to the use of funds; these exclude activities in such areas as weather modification; police, public safety, or military training and related fields; or training or research in nuclear technology. Each year prior to solicitation of linkage proposals, the selected problem areas will be reviewed and approved by AID for the above purpose and to insure general conformance with AID's legislative purpose.

Table I (cont'd.)
University Linkages
Eligible Linkage Activities

2/ Continued

A development problem, for purposes of this project, is an area in which economic, technical, or social change is sought in the Egyptian society. A problem is expected to be defined narrowly enough that a practical resolution may be reasonably expected from the level of effort for which finance is available. However, it would be expected that a problem area will be defined broadly enough to allow or require more than one university linkage or more than one linkage activity for its resolution. For example, industrialization as a problem area is too broadly defined for the purposes of this project. On the other hand, the optimal level of fuel intake in a particular furnace in the XYZ Corporation is too narrow. What might be appropriate as a problem area, however, is energy conservation in Egyptian industrial furnaces in general. Thus, although sectoral priorities, such as agriculture, industry, and health, are to be drawn from the Five Year Plan, problem areas within these sectors must be defined so they are manageable within the context of the University Linkages Project without being so specific that they define a single, unique activity.

- 3/ University capacity building should be justified in terms of how it impacts, at present or in the future, on the development problem areas selected each year as part of the grant cycle process. All universities have the opportunity to nominate problem area candidates of their choice, as part of the annual process. However, nominations must survive the problem identification and prioritization procedure in order to be an eligible area for funding. Capacity building embraces a wide spectrum of university operations, including but not limited to, faculty improvement, research, curriculum revision, and outreach programs.

2. Basic Project Guidelines

The guidelines set forth in Table II are intended to provide a summary of the general intent for organizing, initiating, and administering the University Linkages Project. They are intended to guide the FRCU, the Joint Executive Board, and the long-term contractor in carrying out their duties. Interpretation of a guideline intent is to be drawn, first, from the Project Paper as a whole, and secondly, from the Joint Executive Board. It is understood that in the course of implementing the project that the Joint Executive Board may find it necessary to modify certain guidelines. It is also understood that project purpose cannot be modified, except as provided under standard provisions of the project agreement. Finally, it is understood that the details of organization, procedures, and guidelines necessary to implement the project will be formulated by the FRCU with the assistance of the long-term U.S. contractor during Phase I of the project and agreed upon by AID.

Table II
University Linkages
Basic Project Guidelines

1. The project will consist of collaborative activities between Egyptian and American universities focused on Egyptian development problem-solving and related university capacity building. Definitions appear in Annex II; discussion in Annex XXII.
2. Collaborative activities will be selected and funded under a competitive grants commission approach. All Egyptian universities belonging to the SCU are eligible for linkage awards. All U.S. universities and institutions of higher learning as recognized by the SCU as part of its normal accreditation process will be eligible. Existing or future relationships between U.S. and Egyptian universities will not affect eligibility for linkage awards, except as specified in item 7. U.S. Title XII universities are eligible under this project.
3. The grants commission implementing unit, the FRCU, will be located in the SCU and will be developed as part of Phase I of the project.
4. Policy guidance will be provided to the FRCU by a high level Joint U.S.-Egyptian Executive Board. This Board must approve all maxi-linkage awards. Technical guidance will be provided to each maxi-linkage by its own Joint U.S.-Egyptian Linkage Advisory Committee. Technical support for the FRCU will tend to be drawn from SCU standing committees. AID will play a minimal role in project implementation.
5. Both maxi- and mini-linkages may be financed for any problem area in which awards are made. A problem area will generally have not more than one maxi-linkage, but may have several mini-linkages. No awards need necessarily be made in a given problem area if proposals are judged inadequate by the evaluating committees.
6. Both direct problem solving and university capacity building activities will be eligible for funding. Both types of activities evolve out of the annual grant cycle process which involves a development problem identification procedure and a grant award procedure. Maximum opportunity is to be provided to Egyptian universities to nominate candidate development problem areas. See Annexes XI through XV for illustrative organizational and procedural suggestions.
7. Eligible development problem areas will be identified and new linkages awarded on an annual basis over a four year period (Phase II). Prior to solicitation of proposals, the selected problem areas will be reviewed by AID to insure that they conform to U.S. foreign assistance requirements. Not more than two maxi-linkages may be awarded to a university over the life of the project.

Table II (cont'd.)

University Linkages

Basic Project Guidelines

8. Not more than one third of the AID grant may be committed in any one year of Phase II. Some commitments must be made in each year.
9. Not less than one third of the funds committed in a given year of Phase II will be reserved for mini-linkage awards.
10. Criteria for selecting linkage proposals will be developed during Phase I and will be made clear to all interested parties. Selection criteria must be included in the instructions accompanying all solicitations of linkage proposals. The tentative criteria suggested in Annex XV should be strongly considered: (i) qualifications of faculty involved, (ii) technical merit of approach, (iii) significance of proposal in terms of development problem area addressed, (iv) cost effectiveness, and (v) the adequacy of the plan for the utilization of results.
11. The management of activities within a maxi-linkage are at the discretion of the Joint Linkage Advisory Committee formed for each maxi-linkage, subject to the conditions of the approved linkage proposal. The composition of activities within a mini-linkage are fixed once a mini-linkage proposal is approved by the FRCU. The FRCU will select mini-linkages on the basis of guidelines provided by the Joint Executive Board.
12. The composition of inputs making up an activity are at the discretion of the activity team leader, subject to the conditions of the approved linkage proposal or the approval of the Joint Linkage Advisory Committee in the case of a maxi-linkage.
13. The results and findings of linkage activities, including data developed and produced, should generally be available for public dissemination and use, including AID. Procedures should be developed to insure that all information is transmitted to relevant GOE ministries.

3. Compensation Guidelines

The compensation guidelines that will be set out in Table IV are an attempt to achieve a modest propriety that is felt to be in the best long-term interest of both the U.S. and Egypt. These interests are implicit in the compensation policy objectives set out in Table III below.

Table III
University Linkages
Compensation Policy Objectives

1. To encourage cost sharing on the part of both the Egyptian and the American universities. Each university should contribute something toward the cost of the linkage relationship.
2. To make U.S.-Egyptian university linkages financially feasible as opposed to financially attractive.
3. To facilitate relationships rather than purchase them.
4. To establish compensation policies that have a reasonable chance of being sustained upon the exhaustion of AID funding.
5. To adopt compensation guidelines that offer the prospect of enhancing rather than detracting from U.S.-Egyptian relations. To the extent practicable, guidelines should be uniform for both U.S. and Egyptian faculty and should tend to diminish rather than accentuate compensation differences.

Fulbright Approach. The guidelines in Table IV essentially adopt the compensation policy of the Fulbright Commission, modified to include personal compensation for work performed in one's own country. Importantly, no overhead will be paid under the project, as is the policy with most grant foundations. However, direct costs that can be substantiated will be eligible for reimbursement in the case of U.S. universities. Overhead and non-salary direct costs in the case of Egyptian universities are considered part of their contribution to

the project. This burden may be offset somewhat by the ability of Egyptian universities to obtain limited equipment and materials as part of the linkage activities.

It is recognized that while the spirit of the cost sharing approach laid out in Table IV may be in keeping with long-term U.S.-Egyptian interests, it simply may not work. Therefore, overall compensation policy guidelines will be reviewed for appropriateness and possible modification as part of the evaluation to be carried out two years after project inception.

The Mission feels, however, that the risk in pursuing a cost sharing policy is relatively low and should be taken since the long-term viability of the grants program probably depends on its cost being eventually accepted by the Government of Egypt. The Mission considers it far more likely that the concept of cost sharing will be accepted by U.S. and Egyptian universities if it is introduced from the outset. It would appear easier to reduce the degree of university cost sharing during the course of the project, should it be necessary, than to increase it. See Annex XXI for a brief statement of Fulbright compensation policy.

Table IV
 University Linkages
 Compensation Policy Guidelines ^{1/}

	<u>Egyptian</u>	<u>U.S.</u>
1. Travel	Fulbright Policy	Fulbright Policy
2. Per Diem	Int'l.: Fulbright Policy Egypt: University Policy	Int'l.: Fulbright Policy USA: USG Area Rates
3. Salaries/Stipends ^{2/} Honoraria/Benefits	USA: Fulbright Policy Egypt: Direct Costs ^{3/}	Egypt: Fulbright Policy USA: Direct Costs
4. Allowances/Differential ^{4/}	USA: Fulbright Policy Egypt: none	Egypt: Fulbright Policy USA: none
5. Housing/Utilities ^{4/}	USA: Fulbright Policy Egypt: None	Egypt: Fulbright Policy USA: none
6. University Overhead	None	Substantiated Direct Costs only

^{1/} No costs incurred prior to linkage awards will be paid.

^{2/} No personal compensation will be paid for participation in seminars, conferences, workshops.

^{3/} Compensation rates and policy are to be established during Phase I of the project and agreed to by AID. AID grant funds may be used to pay incentive compensation to Egyptian faculty members during the period required for GOE funding to be obtained through its normal budgetary process. Thereafter, the GOE will pay all Egyptian compensation under the project. A parallel policy shall be in effect for employees of the FRCU.

^{4/} It is recommended that a Fulbright-type support service be provided to visiting U.S. and Egyptian faculty members. Long experience in the Fulbright program has shown that faculty members are more effective and have a better personal experience if they receive assistance with travel, housing, local regulations, etc.

Incentive Compensation. The AID grant may be used to pay incentive compensation to Egyptian faculty members participating as linkage activity team members and to employees of the FRCU. Compensation rates and policy are to be established for both groups by the GOE during Phase I of the project and agreed upon by AID. An interim compensation policy will be established for FRCU employees, if necessary, to allow initial operations to begin. AID will encourage the GOE to take into account the results of the proposed NE/TECH compensation study. AID grant funds will be used to compensate work performed under the project that is in addition to the employees' normal responsibility and will not be used to replace or pay normal salaries.

The GOE understands that AID funding will be available for incentive compensation only during the period required for GOE funding to be obtained through its normal budgetary process. Thereafter, the GOE will pay all incentive compensation at the rates, and in accordance with the policy, previously determined.

4. Technical Assistance and Training

Technical assistance and training will be provided to the FRCU to assist in the development of an effective grants commission operation. It is anticipated that a single contractor, probably a U.S. grants foundation, will provide a package program that includes long-term advisors, short-term consultants, and both U.S. and in-country training. The contractor may also be requested to provide certain management and administrative services through local hires.

The scope of work for the long-term contractor will be prepared with the assistance of a short-term IQC consultant that will work with FRCU officials on a number of tasks in early fall 1980. The long-term contractor will be expected to work intensively with the FRCU during Phase I and the early part of Phase II, gradually reducing its level of effort as the grant process achieves operational status and the FRCU attains experience in its operation.

It is intended, as a minimum, that the contractor will provide two senior advisors to work directly with the FRCU. One senior advisor will act as team leader and work with the FRCU for 48 months. The second advisor will work with the FRCU for 24 months. Both advisors are to be mobilized as early as possible during Phase I. In addition, the contractor will provide short-term consultants, specialists in various aspects of grant commission operations, as need is identified and used during the first two years of the project. Twenty-four person months of these services have been budgeted.

Training of FRCU personnel, whether formal or on-the-job, is considered an integral part of the contractor's responsibility. A training program is to be developed as part of the contractor's proposal and would be expected to include a program within the contractor's foundation in the U.S. and continuing in-country training. Up to 24 person months of U.S. training have been budgeted.

It is anticipated that the contractor may require administrative and management services from locally hired staff to carry out its responsibilities. Provision has been made in the budget for these purposes.

The contractor's responsibilities may be summarized generally as follows:

- Phase I To work with the FRCU to develop and bring the grant process to operational status.

- Phase II To work with the FRCU both to assist and to refine the administration and management of the grant process.

In working with the FRCU during Phase I the contractor is expected to assist in developing the following:

- (i) FRCU organizational structure
- (ii) FRCU operational procedures and policies
- (iii) FRCU manpower/space/equipment requirements
- (iv) Role & composition of committees & boards
- (v) Development problem identification procedure
- (vi) Grant proposal, evaluation, and award procedure
- (vii) Accounting/legal/financial disbursement procedures adequate to meet AID regulations
- (viii) Information system on U.S. universities and academic associations

The estimated cost of long-term technical assistance and training is shown in Table V. Host country contracting will be used to procure the services of the contractor.

Table V
University Linkages
Technical Assistance and Training
Cost Estimate
(\$ 000)

Senior Advisor - 48 months	520,000
Ass't. Senior Advisor - 24 months	260,000
Short-term Consultants - 24 months	240,000
U.S. Training - 24 months	100,000
Local Admin. & Management Services	200,000
	<hr/>
	1,320,000
Inflation and Contingency	380,000
	<hr/>
TOTAL	1,700,000

5. Commodities

Limited procurement of commodities is anticipated for use in setting up the FRCU. Review and identification of equipment and supply requirements and their specifications will be made by the short-term IQC contractor in early fall 1980. Procurement will commence when the first CP's have been met. A suggested equipment list, submitted by the FRCU, is set out in Annex VIII.

Commodities may also be purchased with AID grant funds for use in the various linkage activities. Commodity procurement, limited to use in Egyptian universities, is expected to be primarily for teaching materials and instructional equipment or for research materials and equipment. No vehicles or furniture will be eligible nor supplies ordinarily stocked by university departments. It is anticipated that commodity costs may average approximately 20% of linkage budgets on the basis of experience under the PL-480 research sponsored program.

Procurement will be eligible under both standard dollar and local cost financing regulations. The Project Committee has considered the need for a source and origin waiver but felt that sufficient flexibility was provided under local cost financing regulations which allow shelf-item procurement up to \$2,500.00 per item from Code 899 countries and no unit cost limits on Code 941 countries. If experience shows the Code 899 limit to be too low, consideration of a waiver can be made at that time.

6. Cost Estimates.

The specific nature and composition of activities making up the individual linkages within the project are indeterminate due to the flexibility provided by project design. Coupled with the flexibility provided for inputs making up each activity, detailed cost estimates at the linkage level are simply not practical. This poses no serious problem for two reasons. First, individual linkages are essentially replicative and will cost a small fraction of the total grant. New linkages will simply be approved until the grant is totally sub-obligated. Second, eligible linkage activities are set out in Table I (page 11) and eligible activity inputs and related compensation policy in Table IV (page 18). Together with the basic project guidelines in Table II (pages 14-15), and given assumptions on linkage activity breakdown, it is possible to make estimates for broad program categories.

Although estimates are hazardous under these circumstances, it may be anticipated that almost half of the AID grant will be required for local cost financing of shelf-item commodity procurement, allowances for Americans, Egyptian incentive payments, and air travel and per diem for both. The balance will be required for foreign exchange expenditure, largely for per diem, U.S. salaries, stipends and allowances for Egyptians, commodities, and the technical assistance and training package.

An estimated project cost and budget summary breakdown is provided in Table VI. Total project cost is estimated at \$33.8 million equivalent. University linkage activities will account for the bulk of project expenditure at an estimated \$29.3 million equivalent or 87.2% of the total. Technical assistance and training at an estimated \$1.7 million, and grant operation support, including the FRCU, at an estimated \$2.0 million equivalent account for 5.0% and 5.9% of project costs, respectively. The final item, project evaluation, accounts for approximately 1% of the project. The basis for these estimates is provided in Annex IX for all categories except technical assistance and training which is found in Section III.A.4 of the project paper (pages 19-21).

Table VI
 University Linkages
 Estimated Costs and Budget^{1/}
 (\$ million equivalent)

	<u>U.S.</u>	<u>GOE</u>	<u>Total</u>
I. Linkage Activities	\$24.5	\$5.3	\$29.8
<u>Problem Solving (U.S. Input)</u>			
Joint Research	\$11.0		
Seminars/Workshops/Conferences	1.3		
Joint Consultative/Advisory	2.6		
	<u>\$14.9</u>		
<u>Capacity Building (U.S. Input)</u>			
Faculty Exchange	\$ 4.1		
Seminars/Workshops/Conferences	1.5		
One-way U.S. Consultative	2.5		
Egyptian Graduate Students	1.5		
	<u>\$ 9.6</u>		
II. Technical Assistance & Training	1.7	0	1.7
III. FRCU/Committee Support	1.0	1.0	2.0
IV. Project Evaluation	0.3	0	0.3
	<u>\$27.5</u>	<u>\$6.3</u>	<u>\$33.8</u>

^{1/} See Annex IX for details.

B. Social Analysis

The long-term effects of the University Linkages Project are potentially significant in terms of social impact. This conclusion is reflected in an extensive social analysis of a similar project for FY 80 submission.⁸ As pointed out in the referenced project, the social implications "must be viewed in the context of (1) the role of science and technology in Egyptian development; (2) the social impact of technological [and economic] change; and (3) the role of the [universities] in applying S&T to development." The essential conclusion reached is that on balance the potential benefits of applying the Egyptian science and technology community to Egyptian development problems far outweigh the risks involved. A similar conclusion must be reached for the University Linkages Project.

Beneficiaries. The University Linkages Project will most obviously benefit the Egyptian universities and faculty members that participate in the project. It is expected that all universities belonging to the SCU and probably several thousand university professors and graduate students will be directly involved. For reasons explained in the introduction, in the logframe, and under USAID CDSS Objectives it is believed that the project can potentially affect the Egyptian population in general. The particular elements of the population affected will depend upon the problem areas chosen under the project and whether the results of the work are communicated to and acted upon by the GOE. USAID has taken steps in the project design to enhance the probability of the GOE being aware of linkage activity findings. This includes GOE committee memberships, an active liaison office in the FRCU, and publicity and dissemination of project results by the FRCU. In addition, data and findings under the project will be available to the general Egyptian public and to AID.

Role of Women. The project has no particular design element that directly enhances or detracts from the role of women. The award of linkage grants is to be based on merit and performed under a competitive grants commission operation. Women faculty members will have equal access. As noted above, indirect beneficiaries are indeterminate at this time.

C. Economic Analysis

The potential economic impact of the University Linkages Project rests upon three critical assumptions: (i) the choice of development problem areas; (ii) the results and conclusions of linkage activities thereon; and (iii) the degree to which this information is made known and acted upon by relevant decision makers. A broad range of economic impacts can

⁸/ Applied Science and Technology Research, Phase II (263-0016) submitted July, 1980.

be envisioned in either a positive or negative sense at both micro and macro levels, depending on what is assumed at each of these junctures. Assuming that at least some actions are taken on the basis of linkage findings, the essential economic argument for a university linkage type project is based on the belief that after all the effects have been worked out at the micro level, that more is gained than is lost at the macro level. Translated, this simply means that on balance R&D and policy study type activities are thought to have a positive impact on economic growth. A discussion on some of the impacts and potential merits of these types of activities for the Egyptian economy is contained in the FY 80 Applied Science and Technology Project, Phase II (263-0016). A similar discussion is contained in the paper prepared by the 1980 Applied Science and Technology evaluation team.^{9/}

D. Environmental Analysis

The University Linkages Project is expected to have no direct environmental impact other than inducing Egyptian university faculty to engage in applied development problem solving. The project will provide additional employment to this group and may induce the substitution of development oriented research in lieu of the more traditional basic academic research performed. As part of the problem solving process, investigators under the project will be required to address environmental implications of any recommendations made.

A negative determination has been made by the Mission Environmental Officer (Annex X) and agreed upon by the NE Bureau Environmental Coordinator.

E. Administrative Analysis

1. Supreme Council of Universities

The Supreme Council of Universities (SCU) will have overall responsibility for project implementation. The SCU is funded by the Ministry of Higher Education and chaired by the Minister of State for Education and Scientific Research.

The SCU was established in 1950 to provide central planning and coordination among Egyptian universities. Eleven universities comprising 132 faculties and institutes make up the Council membership. "The Council is responsible for delineating the general policy of university education and scientific research in universities, operating towards its orientation and coordination so as to meet and attain nation-

^{9/} "U.S. Cooperation with Egypt in Science and Technology," by Princeton Lyman, Hermann Pollack, Countney Nelson, and Carl Gotsch, April 1980. Prepared for USAID/Cairo.

al objectives in social, economic, cultural, and scientific development plans." The duties presently performed by the Council and other pertinent information are contained in Annex VI.

Council membership includes the SCU Secretary General, the 11 University Presidents, the 11 University Vice-Presidents, 11 University Deans chosen annually by their respective universities, and five external members known for their interest and experience in university education and public affairs. The Council is chaired by the Minister of State for Education and Scientific Research.

The SCU has four standing committees that carry out a variety of functions with a broad based membership that includes representatives from both within and without the university system. Committee membership and functions are provided in Annex VI. In addition, the SCU has a General Secretariat comprised of five departments responsible for daily administrative and financial aspects of Council business. The General Secretariat is headed by the Secretary General, who ranks as a university vice-president. An organization chart for the SCU is contained in Figure 1 of Annex XI.

2. Foreign Relations Coordination Unit

Actual project implementation will be largely the responsibility of a newly created unit within the SCU, the Foreign Relations Coordination Unit (FRCU). The FRCU will have major responsibilities for both the mini- and maxi-linkage programs although organizationally there will probably be additional levels of management responsibility for each. The FRCU will receive technical assistance, training, and commodity support. The unit is fundamental for project success and is to be developed and brought to operational status as part of Phase I of the project.

The tasks envisioned in Phase I as part of the development of the FRCU and the grant process are indicated in Section III under the scope of work for the long-term U.S. contractor. Nevertheless, to assist in the understanding of project intentions, tentative indications of organizational structure and operational procedures, as well as specific ideas on grant cycle procedures and supporting committees, are presented in Annexes XI through XV.^{10/} It must be absolutely clear that the information presented in these annexes and in the brief discussion below is illustrative only. The actual details of the university linkages grant process are to be developed by the FRCU with the assistance of a U.S. contractor during Phase I of the project and agreed upon by AID prior to commencement of full grant operations in Phase II.

^{10/} The grant cycle is defined here as the problem identification procedure and the grants award procedure. For specifics see Annex XIV and XV.

Briefly, the FRCU will have primary responsibility for the daily operations of the grant process and will coordinate and direct its administration. A Joint U.S.-Egyptian Executive Board, including a non-voting member from AID, will be created to provide overall policy guidance to the FRCU and to review and approve recommendations for the maxi-linkages. Evaluation Advisory and Policy Advisory Committees, drawn largely from the standing committees of the SCU, will provide staff support to the FRCU on technical evaluation matters and the selection of development problem areas. The Committees will generally contain membership from relevant GOE Ministries, the private and public sectors, and the FRCU.

It is intended that a Linkage Advisory Committee will be formed for each maxi-linkage with the membership largely drawn from the participating universities. Relevant GOE Ministries, the private and the public sectors and the FRCU will also be represented. Membership in the Linkage Advisory Committees is intended to overlap partially with membership of the Policy and Evaluation Advisory Committees that will provide support to the FRCU. See Figure 2 of Annex XI for an illustrative view of this organizational approach. For a more complete picture of what may be operationally implied see Annexes XII through XV.

IV. FINANCIAL ANALYSIS

A. Financial Plan

The total estimated project cost of \$33.8 million and sources of financing are shown in Table VII. The AID grant will finance 81 percent of estimated costs, including all technical assistance, training, and project evaluation. The GOE will finance the remainder, largely in the form of university and SCU overhead and incentive compensation for faculty members and FRCU employees.

Foreign exchange will be required for an estimated 45 percent of project costs and will be provided out of the AID grant. All GOE contributions will be local currency costs. Approximately 44 percent of the AID grant will be required for local currency costs. It is recommended that Egyptian currency for this purpose be purchased with U.S. dollars since all U.S. owned local currency has already been programmed. Annex XVIII contains the justification for a 612(b) determination. AID grant funds will be available for commodity procurement under normal source and origin requirements.

Table VII
 University Linkages
 Summary Cost Estimate and Financial Plan
 (\$ million)

	<u>AID</u>		<u>GOE</u>		<u>TOTAL</u>	
	\$	L.E.*	\$	L.E.*	\$	L.E.*
U.S. Salaries/Allowances	7.26	0.36	-	-	7.26	0.36
Egyptian Salaries/Allowances	2.17	3.90	-	2.37	2.17	6.27
Air Travel/Per Diem	1.70	4.84	-	0.10	1.70	4.94
Technical Assistance/Training	1.61	0.30	-	-	1.61	0.30
Equipment/Supplies	2.53	2.53	-	0.30	2.53	2.83
Project Evaluation	0.25	0.05	-	-	0.25	0.05
Overhead	-	-	-	3.55	-	3.55
	15.52	11.98	0	6.32	15.52	18.30
	\$27.5		\$6.32		\$33.82	

Note: An inflation factor of 15 percent has been taken into account in the case of technical assistance and training. No inflation factor is taken into account for linkage activities because their cost is relatively small compared to the AID grant and new obligations will simply cease when the funds have been exhausted.

* Dollar equivalent of L.E. costs, @ \$1 = L.E.70

B. Disbursement Schedule

Project disbursements are expected to begin in the second quarter of FY 1981 and terminate in the fourth quarter of FY 1985. The estimated disbursement schedule shown in Table VIII below is based on the schedule of major events in Section V, the basic project guidelines in Table II of Section III, and the cost estimates in Annex IX.

Table VIII
University Linkages
Estimated Disbursement Schedule
(\$ million)

	<u>FY81</u>	<u>FY82</u>	<u>FY83</u>	<u>FY84</u>	<u>FY85</u>	<u>TOTAL</u>
Consultant	.25	.45	.40	.40	.20	1.7
FRCU Support	.40	.30	.30	-	-	1.0
Commodities ^{1/}	(.20)	(.70)	(1.40)	(1.60)	(1.10)	(5.0)
Evaluation	-	-	.15	-	.15	0.3
Linkages I	.50	1.50	-	-	-	2.0
II	-	2.00	3.00	2.00	1.00	8.0
III	-	-	3.00	4.00	1.00	8.0
IV	-	-	-	3.50	2.00	5.5
V	-	-	-	-	1.00	1.0
Expenditure	1.15	4.25	6.85	9.90	5.35	27.5
Working Capital Advance	2.00				-(2.00)	0
AID Disbursements	3.15	4.25	6.85	9.90	3.35	27.5

^{1/} Commodity costs are included in linkage activities and FRCU support and appear herein for information only.

C. Disbursement Procedures

Disbursement of the AID grant will be made to the FRCU on the basis of an itemized monthly reimbursement request and such other supporting documentation as AID may require. The FRCU will be expected to make all disbursements required under the project, except for disbursements under an AID direct letter of commitment to the U.S. contractor. A working capital advance will be made to the FRCU after the initial CP's are met. A short-term IQC contractor will work with the FRCU to develop accounting and financial control procedures necessary to meet the initial CP's. Until the second CP's are met, disbursements are limited to expenditures for FRCU commodities and incentive compensation payments to FRCU employees and specified committee members.

The FRCU will administer the University Linkages Project in accordance with AID Handbook 13 procedures and such other Handbook regulations as AID may require. Final accounting and financial control procedures adequate to meet AID regulations will be developed by the FRCU during Phase I with the assistance of the long-term contractor. No disbursements will be made for university linkage activities under the project until AID has agreed upon the adequacy of procedures developed during Phase I of the project and the ability of the FRCU to perform them. The long-term contractor is expected to assist the FRCU during Phase II, as required, to administer the project in accordance with the agreed upon procedures and to assist the FRCU to interpret and implement AID Handbook regulations. AID instructions in these matters will be handled by implementation letters.

The long-term contractor will work with the FRCU to develop a set of standard provisions for agreements between cooperating institutions that form university linkages under the project. The standard provisions and the accounting and financial control procedures used for linkage grant awards must be agreed upon by AID prior to any disbursements for linkage activities. This includes satisfactory arrangements for disbursement of both local currency and foreign exchange in a timely manner.

V. IMPLEMENTATION PLAN

A. Administrative Arrangements

1. Government of the Arab Republic of Egypt (GOE): The Ministry of Economy will represent the GOE as the Borrower.
 - a. Implementing Agency. The Ministry of Education and Scientific Research will be the implementing agency working through the SCU.

- b. Supervision of Grant Commission Operations. The FRCU will be developed as part of the project to carry out all daily administrative and management functions necessary for grant commission operations. The FRCU will be assisted by a U.S. contractor with grant operations experience in its development in Phase I and subsequent management role in Phase II. A Joint Executive Board consisting of U.S. and Egyptian membership will provide overall policy guidance to the FRCU and will approve all major linkage awards. Policy Advisory and Evaluation Advisory Committees will be formed as required to carry out grant operations.
- c. Project Disbursements. The FRCU will be responsible, with the assistance of the U.S. contractor, for all aspects of accounting and financial disbursements under the project, with the exception of a direct letter of commitment that will be used with the U.S. contractor. The U.S. contractor will work with the FRCU during Phase I of the project to develop necessary accounting procedures and financial disbursement and monitoring controls adequate and satisfactory to meet AID Handbook 13 requirements and such other Handbook requirements as specified in project implementation letters. The contractor will assist the FRCU in developing standard provisions and agreement formats for use in making university linkage awards and in carrying out normal operations.

The SCU will make all necessary arrangements and obtain all necessary permissions for conducting financial transactions involving the use of foreign exchange prior to initial project disbursements. The short-term IQC consultant will assist the FRCU in developing disbursement procedures both for local currency and foreign exchange.

It is anticipated that an initial working capital advance will be provided to the FRCU and will be reimbursed by AID on the basis of monthly requests documenting FRCU expenditures. Although details of the procedure are to be developed as part of the process of meeting initial CP's, it might be anticipated that the FRCU will need to make similar advances and reimbursement arrangements with universities receiving linkage grants. It is intended that the FRCU will be particularly sensitive to the requirements of U.S. universities to receive reimbursements for linkage expenditures in a timely and acceptable manner.

- d. GOE Responsibilities. The GOE through its implementing agencies is responsible for:

- 1) Developing a grants commission operation capable of administering all aspects of the University Linkages Project.
 - 2) Administering all aspects of the University Linkages Project.
 - 3) Providing quarterly reports on FRCU and grant operations to AID.
2. USAID: Project implementation management and monitoring of the AID inputs of the proposed grant will be the responsibility of the Office of Education and Manpower, which is responsible to the USAID Assistant Director for Education, Humanitarian Affairs and Science and Technology. A member of the Office of Education and Manpower will be assigned as the Mission Project Officer for the direct monitoring of the project. The Chief Education Officer will represent the Mission in grant negotiations. USAID will have access to all pertinent project reports and other documents issued by the implementing agency, the FRCU, and individual university linkages that relate to project progress. USAID will monitor project progress and make field inspections as required.

B. Schedule of Major Events

The schedule of major events is set out in Table IX.

Table IX
University Linkages
Project Implementation: Schedule
of Major Events

<u>Action</u>	<u>Event</u>	<u>Date</u>
1	Systems and Management Analyst Requested	06-17-80
2	Observation Visit Requested	06-17-80
3	Project PID Submitted to AID/W	06-19-80
4	Project PID Approved by AID/W	08-01-80
5	Project Paper Submitted to AID/W	08-10-80
6	Advertise CBD for Foundation Contractor	08-15-80
7	Observation Visit by Key FRCU Personnel	08-22-80
8	Project Paper Approved by AID/W	08-31-80
9	Project Authorization Issued	09-15-80
10	Systems and Management Analyst Arrives	09-20-80
11	Grant Agreement Signed	09-30-80
12	Implementation Letter No. 1 issued	10-15-80

Table IX (Cont'd.)
University Linkages
Project Implementation: Schedule
of Major Events

<u>Action</u>	<u>Event</u>	<u>Date</u>
13	Foundation Contractors Short-Listed	10-15-80
14	Commodity Specifications Prepared	10-15-80
15	RFP for Foundation Contractors Issued	10-30-80
16	Commodity Procurement Initiated	10-30-80
17	Grant Procedures and Structure (tentative)	11-15-80
18	Incentive Compensation Policy (tentative)	11-15-80
19	FRCU Accounting and Financial Procedures (tentative)	11-30-80
20	Initial CP's Met	12-15-80
21	Joint Executive Board Formed	12-31-80
22	Working Capital Advance Made to FRCU	12-31-80
23	Foundation Contractor Selected	01-15-81
24	Policy Advisory Committees Formed	01-15-81
25	Problem Identification Initiated (1st Grant Cycle)	01-31-81
26	Evaluation Advisory Committees Formed	01-31-81
27	FRCU Commodities Arrive	01-31-81
28	Host Country Contract Negotiated	01-31-81
29	U.S. Contractor Mobilizes	02-28-81
30	Problem Areas Identified	03-15-81
31	In-Country Training for FRCU Begins	03-15-81
32	First Quarterly Progress Report Due	03-31-81
33	Eligible Problem Areas Selected (I)	03-31-81
34	RFP's for Pre-Linkage Proposals Issued	04-15-81
35	Draft Recommendations by Contractor	04-30-81
36	Second CP's Met	04-30-81
37	Pre-Linkage Proposals Short-Listed	05-31-81
38	Final Recommendations by Contractor	05-31-81
39	GOE Incentive Compensation Policy (final)	05-31-81
40	RFP's for Full Linkage Proposals Issued	05-31-81

Table IX (Cont'd.)
University Linkages
Project Implementation: Schedule
of Major Events

	<u>Event</u>	<u>Date</u>
41	FRCU Core Staffing Completed	06-30-81
42	Second Quarterly Progress Report Due	06-30-81
43	Third CP's Met	07-31-81
44	Linkages (I) Selected	07-31-81
45	Mini-Linkage (I) Activities Commence	08-15-81
46	FRCU Makes Initial Linkage Advances	08-31-81
47	FRCU Reimburses First Reimbursement Requests	09-30-81
48	Third Quarterly Progress Report Due	09-30-81
49	Second Grant Cycle Commences	10-01-81
50	First Evaluation of Project Begins	09-30-82
51	PACD	09-30-85
52	Second Evaluation of Project Begins	09-30-85
53	Terminal Date for Disbursement	09-30-85
54	Final Project Evaluation	09-30-87

C. Project Monitoring

Project monitoring will be performed by the assigned AID Project Officer. The Project Officer will review and administratively approve monthly requests for reimbursement from the FRCU. Quarterly progress reports covering grant operations and linkage activities will be prepared by the FRCU and provided to AID. Field inspections of FRCU operations and linkage activities will be made as required. An AID representative, appointed by the Mission Director, will sit as a non-voting member on the Joint Executive Board. Reporting requirements will be established in the first implementation letter.

D. Evaluation Arrangements

A major evaluation is planned two years after the grant agreement is signed to determine if the University Linkages Project is progressing as intended and whether fundamental changes in organizational structure, operational procedures, or implementation guidelines are required. Compensation policies will also be re-examined. Identified implementation problem areas are expected to be remedied at that time.

A second major evaluation is planned at project completion and will evaluate success in achieving the project purpose and the overall effectiveness of the implementation strategy.

A third major evaluation will take place two years after project completion. The status of linkages formed during the project and the involvement of participating faculty in post-project development problem solving activities will be examined by random sample surveys. A final assessment report of the project is to be prepared at this time.

A baseline survey of Egyptian faculty will be made within the first year of the project, prior to initiation of activities under the project. The survey will be used for three purposes: (i) to elicit baseline data on present involvement with development related problem solving, including existence of present university linkages, (ii) to establish a data bank in the FRCU on faculty members' areas of interest and expertise, and (iii) to announce the existence and ground rules of the University Linkages Project to all faculty members. The survey will be carried out as one of the initial tasks of the FRCU.

VI. CONDITIONS AND COVENANTS

The Grantee agrees to cooperate fully with AID to accomplish the purposes of the Grant. To this end, the following conditions are accepted:

Conditions Precedent to Disbursement

(1) Initial Disbursement

- (a) Evidence that the FRCU has been established and will operate with procedures and an employee compensation policy satisfactory to AID.
- (b) Evidence that the SCU and FRCU have been delegated all legal authority necessary to implement the project, including, but not limited to, the authority to make linkage awards to Egyptian and United States entities, to monitor the use of such awards, and to make disbursements both for local currency and foreign exchange costs in a timely manner.

(2) Disbursement for First-Grant-Cycle Mini-Linkages

- (a) Evidence that the long-term technical assistance contractor as approved by AID has been engaged by the Grantee.
- (b) Evidence that the Grantee has established procedures acceptable to AID for the trial period of mini-linkage awards

(3) Disbursement for Linkages Other Than First-Grant-Cycle Mini-Linkages

- (a) Evidence that the organization, procedures, and policies necessary for the full-scale grant system have been established and that the FRCU has in place adequate staff, office space and equipment to implement such system.

Covenants

- (1) The Cooperating Country shall covenant to pay all compensation of Grantee employees beginning not later than the beginning of the Grantee's third fiscal year after satisfaction of the conditions precedent for disbursement for linkages other the first-grant-cycle mini-linkages.
- (2) The cooperating government agrees to establish or cause to be established formal procedures acceptable to AID which will ensure that environmental considerations are taken into account in determining whether or not a particular linkage qualifies for an award.
- (3) The Grantee shall covenant that, except as AID may otherwise agree in writing, it will take appropriate action through the SCU and FRCU to insure that activities financed under the project do not include weather modification or research in nuclear technology.

Negotiating Status

The University Linkages Project design has been jointly formulated by AID and the SCU at the direction of the Minister of State for Education and Scientific Research. The Minister has discussed the outline of the project with all universities belonging to the SCU (see Annex VI). The GOE is in agreement with the project components as presented herein.

ANNEX I

AGENCY FOR INTERNATIONAL DEVELOPMENT
PROJECT IDENTIFICATION DOCUMENT
FACESHEET (PID)

1. TRANSACTION CODE
A = Add
C = Change
D = Delete
Revision No.

DOCUMENT
CODE
1

2. COUNTRY/ENTITY
Egypt

3. PROJECT NUMBER
263-0118

4. BUREAU/OFFICE
NEAR EAST TECH
A. Symbol 03
B. Code NE

5. PROJECT TITLE (maximum 40 characters)
University Linkages

6. ESTIMATED FY OF AUTHORIZATION/OBLIGATION/COMPLETION
A. Initial FY 80
B. Final FY 80
C. PACD 85

7. ESTIMATED COSTS (\$000 OR EQUIVALENT, \$1 =)

FUNDING SOURCE		LIFE OF PROJECT
A. AID	Grant	\$ 18,000
B. Other U.S.	1.	
	2.	
C. Host Country		\$ 6,000 equivalent
D. Other Donor(s)		
TOTAL		24,000 equivalent

8. PROPOSED BUDGET AID FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. 1ST FY 80		E. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) SA-B	750	968		\$ 18,000		\$ 18,000	
(2)							
(3)							
(4)							
TOTALS				\$ 18,000		\$ 18,000	

9. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)
963 973 978

10. SECONDARY PURPOSE CODE

11. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)
A. Code RGEN
B. Amount \$ 18,000

12. PROJECT PURPOSE (maximum 480 characters)

To mobilize, enhance and supplement a selected portion of Egyptian university faculty for purposes of Egyptian development problem solving.

13. RESOURCES REQUIRED FOR PROJECT DEVELOPMENT

Staff: 2 person months direct hire USAID/Cairo

Funds: Mission operating funds

14. ORIGINATING OFFICE CLEARANCE
Signature: [Signature]
Title: Director
Date Signed: MM DD YY 16/17/80

15. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION
MM DD YY 06/30/80

16. PROJECT DOCUMENT ACTION TAKEN
S = Suspended
A = Approved
D = Disapproved
CA = Conditionally Approved
DD = Decision Deferred

17. COMMENTS

18. ACTION APPROVED BY
Signature
Title

19. ACTION REFERENCE

20. ACTION DATE
MM DD YY

ANNEX II

ANNEX II
University Linkages
Definition of Terms

University Linkages - A relationship between an Egyptian university and an American university based or focused on joint participation in an activity.

Maxi Linkage - A relatively comprehensive long-term (probably 3 years minimum) multi-activity linkage between the same set of Egyptian and American universities focused on a single problem area.

Mini Linkage - A low cost, probably short-term, single/multiple activity linkage between one or more Egyptian and one or more American universities focused on one aspect of a single problem area.

Development Problem Area - A conceptual or analytical area in which economic or social change is sought in the Egyptian society. A problem area should be defined broadly enough to require multiple activity projects, preferably at an inter-departmental or interdisciplinary level.

Activities - Any mutually agreeable set of actions that fall under the guidelines for eligible activities in Table I of the Project Paper.

SCU - Supreme Council of Universities. See Annex VI

FRCU - Foreign Relations Coordination Unit to be developed within the SCU.

Joint Executive Board - A high level board drawn from Egyptians and Americans that will provide overall policy guidelines to the FRCU and will review and approve the selection of all maxi linkage proposals. See Annex XIII.

Joint Linkage Advisory Committee - A technical advisory committee formed for each maxi linkage with membership drawn primarily from the Egyptian and American universities participating in the linkage. Membership will also include relevant GOE, private and public sector and the FRCU.

Policy Advisory Committees - A set of committees drawn largely from SCU standing committees but including membership from the GOE, private and public sectors, and the FRCU where appropriate. The purpose of the committees is to identify priority development problem areas from which a final list of development problem areas will be selected each year during Phase II of the Project. See Annex XIII.

Evaluation Advisory Committees - Area matter specialist committees that will be responsible for evaluating both maxi linkage proposals and related mini linkage proposals. The committees will be drawn in large part from SCU standing committees but will also include relevant GOE, private and public sector and FRCU membership. Recommendations on maxi linkages will be forwarded to the Joint Executive Board for a final decision. Recommendations on mini linkages will be made to the FRCU for final decision. See Annex XIII.

ANNEX III

ANNEX III
University Linkages
Faculty Income and Salaries

Egyptian university faculty are paid to teach not to perform research. Published research is the means, along with minimum waiting periods "in grade", by which higher rank is achieved. Thus, a faculty member who has served as an assistant professor for a minimum of five years with some minimum amount of published research to his credit may be considered by a committee of his higher ranking peers for promotion. He will not be considered for promotion, however, no matter how many years spent on the faculty without a portfolio of published research. Thus, research as it is generally practised in the university community does not lead to direct monetary remuneration. It leads instead to rewards in the future --- if it is published and if it is on proper, worthy subject matter done in an acceptable manner, i.e., traditional basic academic research and if a proper waiting period is observed.

Research is incidental to the formal responsibility of university faculty members. Teaching is the primary responsibility. Faculty members are hired to teach a certain minimum number of hours and receive a base salary for doing so. The level of this base salary depends on rank and upon regular increments in salary based on longevity. However, longevity tends to have greater effect on salary levels than rank. It is possible, for example, for the person with greater seniority to be paid a higher salary than one with higher rank.

University faculty tend to supplement their base salary in two ways, by teaching additional hours within their own department and by teaching at other universities. Faculty members may teach up to 150 percent of their basic teaching load in their own university. (but earn only up to a maximum of 100 percent of their base pay). They may also teach up to a certain specified number of hours each week at other universities, e.g., 8 hours per week for University of Cairo faculty. Generally speaking, universities never pay for research time in lieu of teaching. They pay only for teaching load. Basic salary schedule information is summarized below in Table 1. A schematic representation of the Egyptian university faculty incentive structure is shown in Figure 1.

Table 1

University Faculty Remuneration

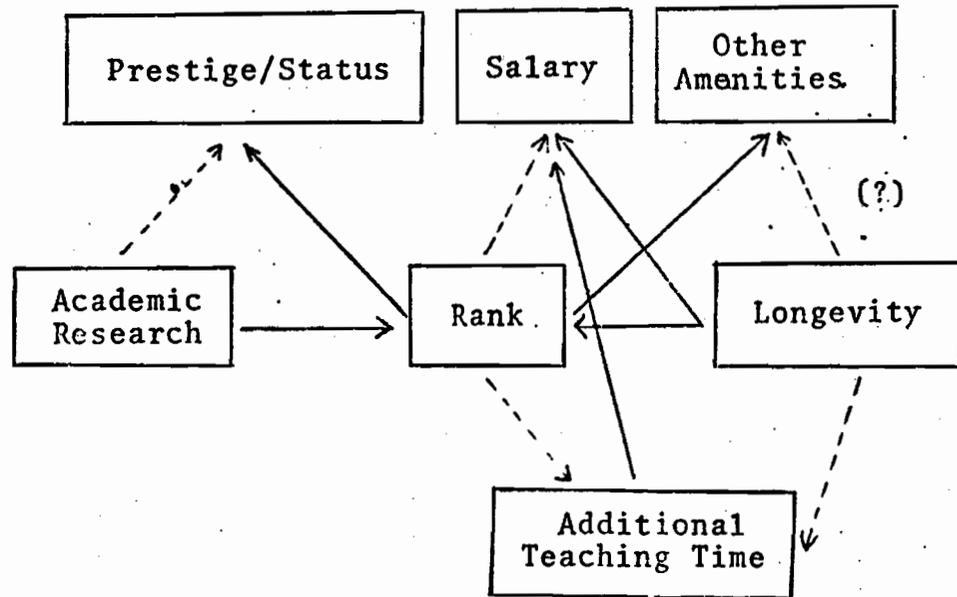
<u>Rank</u>	<u>Requirements</u>	<u>Base Salary</u>	<u>Base Teaching Load</u>	<u>Annual Increment</u>
Assistant Professor	Requires Ph.d.	L.E.60/mo	12 hrs/wk	L.E.5/mo
Associate Professor	Requires minimum 5 yrs as assistant professor, published research, and committee recommendation.	L.E.90/mo	10 hrs/wk	L.E.6/mo
Professor	Requires minimum 5 yrs as assoc. prof., additional published research, and committee recommendation.	L.E.117/mo	8 hrs/wk	L.E.6 $\frac{3}{4}$ /mo

Figure 1

University Faculty Incentive Structure

Personal Objectives

Work Related Means to Attain Objectives



—— Solid line represents most powerful force.

----- Dotted line represents indirect or lesser important force.

ANNEX IV

ANNEX IV
 University Linkages
 University Background Data
 (1977/78)

<u>University</u>	<u>Date Founded</u>	<u>Professors</u>	<u>Teaching Assistants</u>	<u>Number of Faculties</u>
Cairo	1908	1912	2727	19
Alexandria	1942	1212	1558	12
Ein Shams	1950	1426	2329	10
Assuit	1957	556	1161	17
Tanta	1972/3	270	617	9
Mansoura	1972	358	1005	10
Zagazig	1974	375	880	14
Menia	1976	125	402	5
Menufia	1976	138	381	5
Suez Canal	1976	107	264	6
Helwan	1975	1132	961	16
		7,611	12,285	123

Source: "The University & Higher Education in the Arab Republic of Egypt", Ministry of Higher Education, Moustapha Ramadan (undated)

ANNEX IV
 University Linkages
 Number of Faculties
 At Academic Universities ^{1/}

<u>Faculty</u>	<u>Number of Faculties</u>	<u>Number of Universities</u>
Arts	8	7
Law	6	6
Commerce	10	8
Economics	1	1
Science	12	10
Medicine	8	7
Dentistry	4	4
Pharmacology	6	6
Engineering	11	9
Agriculture	12	10
Veterinary	4	4
Science Institute	1	1
Mass Communications	1	1
Archeology	1	1
Pedagology	16	10
Girls	1	1
Translation	1	1

106

Source: Ibid.

^{1/} Helwan was not defined as an academic university by the Ministry of Higher Education, at the time these statistics (1977/8) were compiled.

ANNEX IV
University Linkages
Discipline Areas of Egyptian University System

1. Letters, Arts and Human Studies
2. Law
3. Commerce
4. Statistical Studies
5. Political and Economic Studies
6. Basic Sciences
7. Medicine
8. Dentistry
9. Pharmacology
10. Engineering
11. Agriculture
12. Veterinary Medicine
13. Educational Studies and Teach Training
14. Fine Arts and Applied Arts
15. Physical Education
16. Musical Education

Following is a table showing the number of registered students, teaching staff members and assisting groups for the year 1977/78.

Faculties	No. Of Registered Student	No. of Teach. Staff Members	No. of Asst. Group Members	#ofStd/ each mem. teach.staff	#of Std./ each memb. asst. grp.
Arts	10856	111	156	98	70
Law	13997	58	27	241	518
Econ. & Political Sciences	2452	52	77	47	32
Commerce	18162	40	144	454	126
Sciences	2701	268	335	10	8
Medecine	9614	491	355	20	27
Dentistry	2305	77	140	30	16
Pharmacology	2475	93	162	27	15
Nursing	297	7	52	42	6
Physio-Therapy	645	24	48	27	13
Engineering	8574	280	263	31	13
Agric. Cairo	4619	222	239	21	19
Agric. Fayoum	302	6	34	50	9
Veterinary	2477	93	114	27	22
Sciences Inst.	4765	46	71	104	67
Mass Com.	1642	17	34	97	48
Archaeology	1454	16	30	91	48
Fayoum Educ.	1234	8	47	154	26
Commerce Beni Soluf	2210	4	26	553	85
Total	90781	1912	2727	47	33

ALEXANDRIA UNIVERSITY :

It was instituted by the law no. 32 of 1942, which has been amended by the law no. 200 of 1952. It was originally called "Farouk First University".

In 1944 it included the faculties of Arts, Law, Commerce, Sciences, Medicine, Engineering, and Agriculture. The faculty of Pharmacology, was then belonging to the faculty of medicine.

Today Alexandria University comprises (12) faculties, besides some higher Institutes, such as the General Hygiene Institute.

Following is a table showing the number of students and members of the teaching and assisting staffs for the year 1977/78.

Faculties	# of Registered Students	# Of Teach. Staff Memb.	# of Ast. Group Memb.	# Of Std./ Each Memb. Teach. Staff	# Of Stud./ Each Member Ast. Groups
Arts	12600	101	107	125	118
Law	8937	41	19	218	470
Commerce	17720	31	88	572	201
Sciences	3097	177	228	17	14
Medicine	7334	276	225	27	33
Dentistry	1516	41	104	37	15
Pharmacology	2139	84	6	25	35
Nursing	681	19	73	36	9
Engineering	10005	216	307	46	33
Agriculture	7504	208	220	36	34
Veterinary	289	5	17	58	17
Education	4263	13	108	328	39
Total	76085	1212	1558	63	49

BEST AVAILABLE COPY

EIN SHAMS UNIVERSITY :

It was established by the law no. 93 of 1950, from a group of higher institutes which were called "The University Of Ibrahim Pasha The Great". Its name was changed to "Heliopolis" university, than to the Arabic name "Ein Shams" university. (Heliopolis, is the Greek name of the first pharaonic capital of the unified Egypt).

"Ein Shams" was the fourth university established in Egypt, and it comprises today 10 faculties.

Following is a table showing the number of students and members of the teaching and assisting staff, in Ein Shams university for the year 1977/78.

Faculties	# Of Registered Students	# Of Teach. Staff Memb.	# Of Asst. Group Memb.	# Of Std./ Each Memb. Teach. Staff	# Of Std./ Each Asst. Group Member
Arts	14122	90	169	157	84
Law	11836	38	55	311	215
Commerce	22390	35	176	640	127
Sciences	3255	227	294	14	11
Medecine	8955	359	379	25	24
Engineering	6791	176	312	39	22
Agriculture	5264	193	238	27	22
Education	6966	122	288	57	24
Girls	5231	134	318	39	16 15
Language	1514	52	100	29	
Total	86324	1426	2329	60	37

ASSUIT UNIVERSITY :

The establishment of a university in Upper-Egypt to restore its cultural and historical position, was an old dream that the Upper-Egyptians endeavoured to realize for many years.

In 1949, the celebrations committee of the Ministry Of Knowledge (presently, ministry Of Education), presented a project concerning the establishment of the Assuit University. The Project was approved by the minister's board and a decree enforced by law was published (1956). This decree was never put into execution, and the university remained a dream for the Upper Egyptians.

The project was reconsidered later. Scientific Groups visited Assuit, and plans were set for the procurement of teachers , laboratories, scientific equipment and books.

Studies started at the Assuit university in 1957.

Assuit university presently comprises (17) faculties out of which 2 are for Arts, 4 for Sciences and 4 for Pedagogy (Education).

Following is a table showing the number of students and members of the teaching and assisting staff for the year 1977/78.

Faculties	# Of Registered Students	# Of Teach. Staff Memb.	# Of Asst. Group Memb.	# Of Std./ Each Teach. Staff Memb.	# Of Std. / Each Asst. Group Member
Arts - Sohag	1095	14	58	78	19
Arts - Kena	90	2	5	45	18
Law	2400	11	17	218	141
Commerce	6349	22	73	289	87
Sciences-Assuit	1148	131	204	9	6
Sciences-Sohag	243	8	49	30	5
Sciences-Kena	299	11	55	27	5
Sciences-Aswan	315	10	76	32	4
Medicine	2854	107	132	27	22
Pharmacology	1366	22	75	62	18
Engineering	2749	79	159	35	17
Agriculture	2713	85	107	32	25
Veterinary	1319	41	61	32	22
Pedagogy -Assuit	3226	12	36	269	90
Pedagogy-Sohag	1760	1	30	1760	59
Pedagogy-Kena	1489	-	16	-	93
Pedagogy-Aswan	940	-	8	-	118
Total	30355	556	1161	54	26

TANTA UNIVERSITY :

It was established in 1972/73 by the law no. 49 of 1972. It was called the Middle Delta University and it started with 4 faculties namely, Medicine (belonging to the Alexandria University), Sciences, Agriculture and Education. In 1977/78 it comprised 9 faculties.

Following is a table showing the number of students and members of the teaching and assisting staff for the year 1977/78.

Faculties	# Of Registered Students	# Of Teach. Staff Memb.	# Of Asst. Group Memb.	# Of Std./ Each Teach. Staff Memb.	# Of Std./ Each Asst. Group Member
Arts	1289	3	4	340	322
Commerce	8581	11	81	780	106
Sciences	1240	48	137	26	9
Medicine	3139	106	129	30	24
Dentistry	413	-	3	-	11
Pharmacology	572	9	13	64	44
Education -Tanta	3722	22	65	169	57
Education-Kafr-El Shelkh	256	-	5	-	51
Agriculture - Kufr El Shelkh	2628	71	146	37	18
Total	21840	270	617	81	35

MANSOURA UNIVERSITY :

It was instituted by the law no. 49 of 1972, which was ammended by the law no. 54 of 1973, and was called the Delta University. The faculty of Medicine was the first faculty in Mansoura University. The idea of its establishment was adopted by Cairo university in 1960.

It has started with four faculties : Medicine, Pharmacology, Sciences, and Education. It now comprises 10 faculties (1977/78).

MANSOURA UNIVERSITY 1977/78

Faculties	No. Of Registered Students	# Of Teach. Staff Memb.	# Of Asst(*) Group Memb.	#Of Std./ Each Teach. Staf- Memb.	#Of Std./ Each Asst. Group Memb.
Law	6273	17	33	369	190
Commerce	8464	19	63	445	134
Sciences	1553	79	270	20	6
Medicine	2831	122	124	23	23
Dentistry	89	2	36	45	2
Pharmacology	1116	12	92	93	12
Engineering	4065	38	127	107	32
Agriculture	3031	50	131	61	23
Education-Mansoura	3241	16	100	203	32
Education- Damyata	756	3	29	252	26
Total	31419	358	1005	88	31

(*) By Assisting Groups we mean Assistant professors

ZAKAZIK UNIVERSITY :

It was established in 1973/74 by the law no. 18 of 1974. It started with (7) faculties, namely : Commerce, Medicine, Agriculture, Veterinary, Education, Shebin El-Kom Agriculture - & Shebin El Kom Education.

The last two faculties were annexed to the Menoufia University and Zakazik counts today (77/78) 14 faculties.

ZAKAZIK UNIVERSITY 1977/78

Faculties	# Of Registered Students	# Of Teach. Staff Memb.	#Of Asst. Group Memb	# Of Std./ Each Teach. Staff Memb	# Of Std./ Each Asst. Group Memb.
Arts	1242	8	24	155	52
Law	2617	13	7	201	374
Commerce	8922	17	71	525	126
Sciences	949	23	89	41	11
Medicine	2377	42	159	57	15
Pharmacology	850	4	25	213	34
Agriculture	3391	82	158	41	21
Veterinary	1754	44	93	40	19
Educ. Zakazik	5268	4	28	1317	188
Engineering - Shoubra	2669	24	67	111	40
Commerce-Benha	2273	19	33	120	69
Agric. Sciences Meshtahar	1548	78	70	20	22
Medicine-Benha	72	12	21	6	3
Educ.-Benha	1590	5	35	318	45
Total	35522	375	880	95	40

HELWAN UNIVERSITY OF TECHNOLOGY :

It was established by the law no. 70 of the 26th of July 1975. Its establishment was the natural result of the higher institutes and faculties development, and it now comprises (16) faculties, (4) for physical training, (2) for fine arts and one for applied arts. We will shortly study, in details, some information related to the Helwan University of Technology.

MENIA UNIVERSITY :

It was established according to the law no. (93) of 1976 as an independent university comprising 5 faculties namely : Agriculture, Education - Engineering & Technology , Sciences, Arts.

MENIA UNIVERSITY 1977/78

Faculties	# Of Registered Students	# Of Teach. Staff Memb.	#Of Asst. Group Memb.	# Of Std./ Each Teach. Staff Memb.	# Of Std./ Each Asst. Group Memb.
Arts	3158	34	79	93	40
Sciences	478	20	58	24	8
Engineering	2342	15	86	156	27
Agriculture	1481	48	123	31	12
Education	2643	8	56	330	47
Total	10102	125	402	81	25

MENOUFIA UNIVERSITY :

It was instituted by the law no. 93 of 1976, which amended some clauses of the law no. 49 of 1972 in view of the development of university education and its expansion in the various governorates, trying to realize the equal opportunity principle, raise the level of the local societies and cover the domestic needs of some specializations.

MENOUFIA UNIVERSITY 1977/78

Faculties	# Of Registered Students	# Of Teach. Staff Memb.	# Of Asst. Group Memb.	# Of Std./ Each Teach. Staff Memb.	# Of Std./ Each Asst. Group Memb.
Sciences	104	4	12	26	9
Eng. & Tech.	4283	24	94	178	46
Electronic Eng.	2054	23	73	89	28
Agriculture	3007	74	144	41	21
Education	2353	13	58	181	41
Total	11801	138	381	85	31

SUEZ CANAL UNIVERSITY :

It was also Instituted by the law no. 93 of 8/14/76. It was previously the Suez Canal Branch of Helwan University. It is now composed of 6 faculties.

SUEZ CANAL UNIVERSITY 77/78

Faculties	# Of Registered Students	# Of Teach. Staff Memb.	# Of Asst. Group Memb.	# Of Std./ Each Teach. Staff Memb.	# Of Std./ Each Asst. Group Memb.
Sciences- Ismailia	145	3	55	48	3
Com.&Admin. Sciences Port Said	3379	27	24	125	141
	1168	46	75	25	16
Eng. & Tech. Port Said	1654	27	96	61	17
Agric.-Ismailia	133	4	14	33	10
Educ. Ismailia	163	-	-	-	-
Total					

Helwan University of Technology

Faculties	No. Regist.	# Of Teach. Staff	# Of Asst. Groups	# Of Std./ Each Teach. Staff Memb.	# Of Std./Each Asst. Group Member
Technology - Helwan	3928	49	147	80	27
" Mataria	3141	39	68	80	46
Com. & Bus. Admin.	8535	69	91	123	93
Art. Education	1521	101	48	15	31
Music. Educ.	367	57	38	6	10
Fine Arts Cairo	2300	85	70	27	33
Applied Arts	1827	141	103	13	18
Phys. Train. Pyramid.	1777	111	53	16	33
Phys. Train. Gulza	1278	102	58	12	22
Social Services	3791	70	52	54	73
Home Econ.	1164	69	40	17	29
Tourism&Hotels	361	6	11	60	33
Science Of Cotton	1334	18	22	74	61
Fine Arts. Alexandria	1144	45	43	25	27
Phys. Train. Abou Kir	1322	87	54	15	24
Phys. Train. Fleming	1250	83	63	15	20
Total	35040	1132	961	31	36

ANNEX V

ANNEX V
University linkages
"Key to Location"

1. Cairo
2. Alexandria
3. Ein Shams
4. Assuit
5. Tanta
6. Mansoura
7. Zagazig
8. Menia
9. Menufia
10. Suez Canal
11. Helwan

ANNEX VI

SUPREME COUNCIL OF UNIVERSITIES
GENERAL SECRETARIAT
CAIRO UNIVERSITY BUILDINGS — GIZA — A.R.E.
CENTRE FOR RESEARCH
ON DEVELOPMENT OF UNIVERSITY ED.
THE LIBRARY

The Supreme Council of Universities

Education in Egypt is free in all Levels. Access to higher education in Egypt is ever encreasing with the social changes, and as a continuation to the concept of democratization of Education in the previous levels. While preparing individuals to become good citizens, national objectives are being fulfilled through providing the country with leaders as well as the required labour force in the various fields of production and services.

At present there are eleven universities in Egypt, in addition to Al-Azhar University, one of the oldest universities in the world. All these are state universities. Member Universities of the Supreme Council of Universities are: Cairo U., Alexandria U., Ein-Shams U., Assiut U., Mansoura U., Tanta U., Zakazik U., Helwan U., Minya U., Manofia U., and Suez Canal U., They now comprise 132 faculties & institutes.

The Supreme Council of Universities was established in 1950 as a central machinery for planning and co-ordination among the universities.

Objectives of the Council:

The Council is responsible for delineating the general policy of university education and scientific research in universities, operating towards its orientation & co-ordination so as to meet and attain national objectives in social, economic, cultural and scientific development plans.

Throughout the field of higher university education, the council co-ordinates university studies and academic degrees, teaching in corresponding faculties, institutes and departments of universities as well as university teaching posts.

SUPREME COUNCIL OF UNIVERSITIES
GENERAL SECRETARIAT
CAIRO UNIVERSITY BUILDINGS - GIZA - A.R.E.

- 2 -

The Council is also concerned with determination and creation of fields of specialisation of professorships, equivalence of foreign academic degrees, as well as co-ordination among faculty members in various universities.

At the end of each academic year, the council determines the number of students to be admitted in the forthcoming year in each faculty and puts the regulations for admission.

Within the framework of its responsibilities, the council sets up by-laws of the universities; and approves the faculty regulations.

It gives comments on the government grants given annually to each university.

The council also deals with relevant issues presented by the Minister of Education or by any of the universities.

Membership:

The Council is presided by the Minister of Education, Culture & Scientific Research. Members are : Presidents, Vice-presidents of each university, a member to be selected annually by each university council from among deans of the respective university faculties, five external member known for great interest and experience in university education & public affairs nominated by the council for a two year period of office which is renewable, and the secretary general of the council.

Activities and services:

To ensure practical application of its activities, and the preparation of extensive and thorough studies, the council has set up the following committees:

1. Committees on Sectors of University Studies:

These comprise 16 committees covering all disciplines, e.g. Committee a Medical Ed., Engineering Ed., Agriculture... etc. Each committee comprises specialised members of the supreme

SUPREME COUNCIL OF UNIVERSITIES
GENERAL SECRETARIAT
CAIRO UNIVERSITY BUILDINGS - GIZA - A.R.E.

- 3 -

council together with deans of the respective faculties as well as a number of professors and well-known specialists from outside the universities within each discipline. Each committee forms a number of sub-committees on different subjects.

2. Committee for Equivalence of Academic Degrees:

This committee deals with the equivalence of academic degrees of various levels awarded by foreign institutions of higher learning with those awarded by Egyptian universities. The committee is presided by the secretary general of the supreme council and comprises representatives from all universities appointed by the respective university council.

3. Permanent Committees for the Evaluation of Academic work:

These committees are concerned with consideration of work presented from applicants for appointment in the posts of professorship and assistant professorship. They total about 160. These committees comprise about 2400 professors, nominated by the different faculties of Egyptian universities, and represent various disciplines and specializations in each of the sectors of university education. According to the by-laws, these committees are reformed every three years.

4. Committee for University Cultural Relations:

This committee is concerned with planning and co-ordination among the universities in cultural relations affairs with foreign universities & institutions in the field of higher education and scientific research. The committee is presided by the secretary general of the supreme council, members are Vice-presidents of universities for graduate studies and research.

5. General Secretariat of the Council:

The Council has general secretariat headed by the secretary general, who ranks as Vice-president of a university.

The law necessitates that he should have occupied the post of professorship in a university for a period not less than five years.

SUPREME COUNCIL OF UNIVERSITIES
GENERAL SECRETARIAT
CAIRO UNIVERSITY BUILDINGS - GIZA - A.R.E.

- 4 -

The secretary general sponsors the administrative and financial aspects of the general secretariat which is composed of five major specialized Departments:

- Centre for Research on Development of University Education.
- Department for Secretariat of the Council & other affiliated committees.
- Department on Faculty Members & Student affairs.
- Department on University Cultural Relations.
- Department for Administrative & Financial Affairs.



ANNEX VII

Annex VII
University Linkages
Project Design Considerations

1. Focus on Development - Linkage activities are to be focused on Egyptian development problems.
2. Avoid Diffusion of Effort - Efforts are to be focused on a few priority development problem areas.
3. Mechanisms as a means not an end - Linkages, particularly maxi linkages are intended to be established as on-going, collaborative development problem solving mechanisms where possible. Establishment and maintenance of a linkage is a necessary but not sufficient condition for project success. The linkage is the means of accomplishing project purpose, not the end itself.
4. Equity among Universities - Consider the distributive question. There are 11 universities. Try to avoid concentrating solely on the larger, older universities.
5. Strive for excellence - Keeping in mind the equity consideration, nevertheless, the best available Egyptian faculty members should be matched with the best American faculty members available for work in the chosen development problem area. Although the project is intended to enhance and supplement Egyptian faculty skills through collaboration with American University faculty members, it is not intended to upgrade weak faculty skills where strong Egyptian faculty skills exist.
6. Avoid USAID housekeeping role - University contacts should be direct. USAID should not be in a policy or administrative role once the project agreement is signed. USAID's role should be minimized to periodic monitoring and disbursement, e.g., a lump sum disbursement based on review and acceptance of a quarterly progress report.
7. Justify Institution Building - (a) A centralized institutional capacity should be strengthened as necessary to administer and implement this project. (b) Informal institutional capacity at the maxi linkage level should be required or "encouraged". (c) Strengthening the capacity of Egyptian faculty departments should be justified in terms of their importance to the priority development areas chosen each year in Phase II of the project.
8. Induce Joint Cost Sharing - Grant money should, in general, supplement or top off contribution by Egyptian and American universities. The intention is not to substitute for expenditures that would or could be made by the participating universities or to finance activities that involve no university contributions. The grant money is intended to provide inducement to both the American and Egyptian university to devote faculty time and other resources to Egyptian development problem solving.

ANNEX VIII

ANNEX VIII

FOREIGN RELATIONS COORDINATING UNIT

A SUGGESTED EQUIPMENT LIST

1. Telex
2. IBM golf ball English typewriter (2)
3. IBM Mag-card composer
4. Arabic electric typewriter (2)
5. Microfilm/fishe system (camera, reader-printer, cabinets)
6. Xerox desk-type copying machine
7. Xerox copying unit with collator
8. Local telephone switch board (5 lines) with intercom
9. Filing and indexing cabinets
10. Mini-computer (2 Terminals, line printer, tape, disc, software)
11. Airconditioning Units (2), with heaters
12. Metal desks (5) with chairs
13. Conference table (8 persons) with chairs
14. Library shelves (for catalogues etc.)
15. Carpets (or Moquet)
16. Calculators (2)
17. Office supplies (paper cutter, staplers, pushers, binders, etc.)
18. Refrigerator
19. Projection equipments (slide, overhead, screen, slide preparation)

ANNEX IX

Annex IX
Table I
University Linkages
Estimated Activity Budget Composition

<u>Eligible Activities</u>	<u>Share of Budget</u>	<u>Travel & Per Diem</u>	<u>Salary & Allowances</u>	<u>Equipment</u>
<u>Problem Solving</u>				
Joint Research	50%	20%	55%	25%
Seminars/Workshops/Conferences	5%	100%	-0-	-0-
Joint Consultative/Advisory	10%	30%	70%	-0-
	65%			
<u>Capacity Building</u>				
Faculty Exchange	15%	15%	60%	30%
Seminars/Workshops/Conferences	5%	100%	-0-	-0-
One-way U.S. Consultations	10%	20%	50%	30%
Egyptian Graduate Students	5%	10%	90%	-0-
	35%			
Weighted Average	100%	27%	53%	20%
Estimated \$ Portion	56%	7%	39%	10%
Estimated L.E. Portion	44%	20%	14%	10%

Notes:

- (1) Linkage activity budget shares are purely an educated guess based on several discussions with Egyptians involved in the design of the project.
- (2) The breakdown by expense category is based roughly on experience under the PL-480 supported research projects, Cairo/MIT Project budget, and University Linkage compensation guidelines.
- (3) The breakdown between dollar and local currency costs are rough estimates for travel & per diem and equipment and based on Table IV (Annex IX) for salary & allowances.

Annex IX
Table II
University Linkages
Average Unit Cost Estimates

Airfare (U.S./Cairo)	\$1500 (RT)
Per Diem	
Egyptian (USA)	\$45/day
American (Egypt)	\$50/day ^{1/}
Salary	
Egyptian Professor (Egypt)	L.E. 200/mo. ^{2/}
U.S. Professor (USA)	\$2750/mo.
Egyptian Junior Staff (Egypt)	L.E. 100/mo. ^{2/}
U.S. Junior Staff (USA)	\$1500/mo.
Stipend (10 months) ^{4/}	
Egyptian Professor (USA)	\$24,000/academic year ^{3/}
U.S. Professor (Egypt)	\$24,000/academic year ^{3/}
Stipend (Short-term)	
Egyptian Professor (USA)	none ^{4/}
U.S. Professor	\$45/day
Egyptian Graduate Student	\$10,000/academic year

1/ Reduced by half if housing provided.

2// Rates and policy to be determined by GOE.

3/ Includes estimated housing allowance/value thereof.

4/ This is current Fulbright policy and may need to be changed to cover shorter periods such as one semester.

ANNEX IX
Table III
UNIVERSITY LINKAGES
Summary Cost Estimate and Financial Plan
(\$million)

	<u>AID</u>		<u>GOE</u>		<u>TOTAL</u>	
	<u>\$</u>	<u>L.E.</u>	<u>\$</u>	<u>L.E.</u>	<u>\$</u>	<u>L.E.</u>
U.S. Salaries/Allowances ^{1/}	7.26	0.36			7.26	0.36
Egyptian Salaries/Allowances ^{2/}	2.17	3.90	2.37		2.17	6.27
Air Travel/Per Diem ^{3/}	1.70	4.84	.10		1.70	4.94
Technical Assistance/Training ^{4/}	1.61	0.30			1.61	0.30
Equipment/Supplies ^{5/}	2.53	2.53	.30		2.53	2.83
Project Evaluation ^{6/}	.25	.05			.25	0.05
Over Head ^{7/}	-	-		3.55		3.55
	15.52	11.98	-0-	6.32	15.52	18.30
	\$27.5		\$6.32		\$33.82	

* Dollar equivalent of L.E. costs @ \$1 = L.E. 0.70

1/ Based on AID share of total linkage budget of \$ 24.5 million plus the percentages in Table IV. (AID grant of \$27.5 million less TA & training, FRCU/Committee support and project evaluation costs equals \$24.5 million).

2/ The AID total and split are based on \$24.5 million plus the percentages in Table III. In addition, local currency costs are increased by \$0.8 million for FRCU/Committee incentive compensation payments estimated for 3-year period (\$2.75 million + \$0.8 million = \$3.55 million). GOE local currency costs are estimated incentive compensation payments for a 2-year period.

3/ The AID share of travel and per diem is based on \$24.5 million plus the percentages in Table I (Annex IX). The GOE contribution is for local travel and per diem for FRCU employees.

4/ See Table V, Part III of the Project Paper.

5/ Equipment/supplies is based on \$24.5 plus the percentages in Table I (Annex IX) plus an estimated \$0.2 million for FRCU equipment.

6/ Based on two special evaluations at an average cost of \$150,000 each.

7/ Based on an average overhead rate of 60% applied to the local currency portion of Egyptian salaries.

ANNEX IX
Table IV
University Linkages
Estimated Split on
Salaries and Allowances^{1/}

	<u>U.S.</u>	<u>Egyptian</u>	<u>Total</u>
Joint Research ^{2/}	18.3%	9.2%	27.5
Joint Consultative/Advisory ^{2/}	4.7%	2.3%	7.0
Faculty Exchange ^{3/}	4.5%	4.5%	9.0
One-Way U.S. Consultative ^{4/}	4.0%	1.0%	5.0
Egyptian Graduate Students ^{5/}	-0-	4.5%	4.5
	<hr/> 31.5%	<hr/> 21.5%	<hr/> 53.0%
\$ Portion	30.0%	9.0%	39.0%
L.E. Portion ^{6/}	1.5%	12.5%	14.0%

^{1/} Salary and allowance costs as a percentage of total linkage budget are derived from Table I (Annex IX).

^{2/} It is assumed that most linkage activities will take place in Egypt. This implies a salary and allowance ratio of approximately 10:1. It is assumed on average that an input of five Egyptian person months will be made for each U.S. person month. This implies a 2:1 U.S.-Egyptian salary and allowance ratio.

^{3/} Faculty exchange is assumed to be on a 4:1 basis with approximately similar costs for each.

^{4/} It is assumed that the bulk of costs for one-way U.S. consultative activities will be attributable to U.S. faculty (80%).

^{5/} All costs are attributable to the Egyptian graduate student.

^{6/} It is assumed that essentially all U.S. costs are reimbursable in U.S. dollars except for local transportation. It is assumed that all Egyptian faculty exchange and graduate students are U.S. dollar costs and that other Egyptian cost categories are in local currency.

ANNEX X

UNITED STATES GOVERNMENT

Memorandum

TO : NE/TECH/HRST, Thomas McDonough
Project Chairperson

DATE: July 17, 1980

FROM : NE/PD/PDS, Stephen F. Lintner *SFL*
Bureau Environmental Coordinator

SUBJECT: EGYPT - University Linkages PID (263-0118) - Environmental
Clearance

I have reviewed the Initial Environmental Examination (IEE) submitted for the subject action and recommend that it be given a "Negative Determination".

cc: GC/NE, T. Carter
AID/Cairo, Environmental Officer
AID/Cairo, L. Michael Hager, Senior Legal Advisor



5010-108

Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

ANNEX X

INITIAL ENVIRONMENT EXAMINATION
NARRATIVE DISCUSSION

1. Project Location: Egypt
2. Project Title: University Linkages (263-0018)
3. Funding (Fiscal Year and Amount): FY 80 - \$ 18.0 million

4. IIE Prepared By: Robert L. Rucker Date: 17 June 80

5. Action Recommended:
Negative Determination

6. Discussion of Major Environmental Relationships of Project Relevant to Attached Impact Identification and Evaluation Form:

The University Linkages Project is expected to have no direct environmental impact other than inducing Egyptian university faculty to engage in applied development problem solving. The Project will provide additional employment to this group and may induce the substitution of development oriented research in lieu of the more traditional basic academic research performed by this group.

As part of the problem solving process, investigators under the Project will be required to address environmental implications of any recommendations made. A covenant to this effect will appear in the Grant Agreement.*

* Environmental concerns will be met by covenant number two (2) of the Project Paper, p. 36.

IMPACT IDENTIFICATION AND EVALUATION FORM

Impact
Identification
and Evaluation/

Impact Areas and Sub-areas

A. LAND USE

- | | |
|--|---------------|
| 1. Changing the character of the land through: | _____ |
| a. Increasing the population | _____ N _____ |
| b. Extracting natural resources | _____ N _____ |
| c. Land clearing | _____ N _____ |
| d. Changing soil character | _____ N _____ |
| 2. Altering natural defenses | _____ N _____ |
| 3. Foreclosing important uses | _____ N _____ |
| 4. Jeopardizing man or his works | _____ N _____ |
| 5. Other factors | _____ |
| _____ | _____ |
| _____ | _____ |

B. WATER QUALITY

- | | |
|-----------------------------------|---------------|
| 1. Physical state of water | _____ N _____ |
| 2. Chemical and biological states | _____ N _____ |
| 3. Ecological balance | _____ N _____ |
| 4. Other factors | _____ |
| _____ | _____ |
| _____ | _____ |

- 1/N -- No environmental impact
L -- Little environmental impact
M -- Moderate environmental impact
H -- High environmental impact
U -- Unknown environmental impact

G. HEALTH

- 1. Changing a natural environment
- 2. Eliminating an ecosystem element
- 3. Other factors

N

N

H. GENERAL

- 1. International impacts
- 2. Controversial impacts
- 3. Other factors

N

N

I. OTHER POSSIBLE IMPACTS (not listed above)

Prepared By: Robert Rucker Date: 17 June 80

Project Location: Egypt

Project Title : University Linkages (263-0018)

THRESHOLD DECISION MADE OF
INITIAL ENVIRONMENTAL EXAMINATION

Project Location: Egypt

Project Title: University Linkages (263-0118)

Funding (Fiscal Year and Amount):

FY 80 - \$ 18.0 million

IEE Prepared By:

Robert L. Rucker

Date:

17 June 80

Environmental Action Recommended:

(Environmental Assessment, Negative Determination, etc.)

Negative Determination

Mission Decision:

(Approval/Disapproval of Environmental Action Recommended in the IEE)

Approved : _____

Disapproved : _____

Date : _____

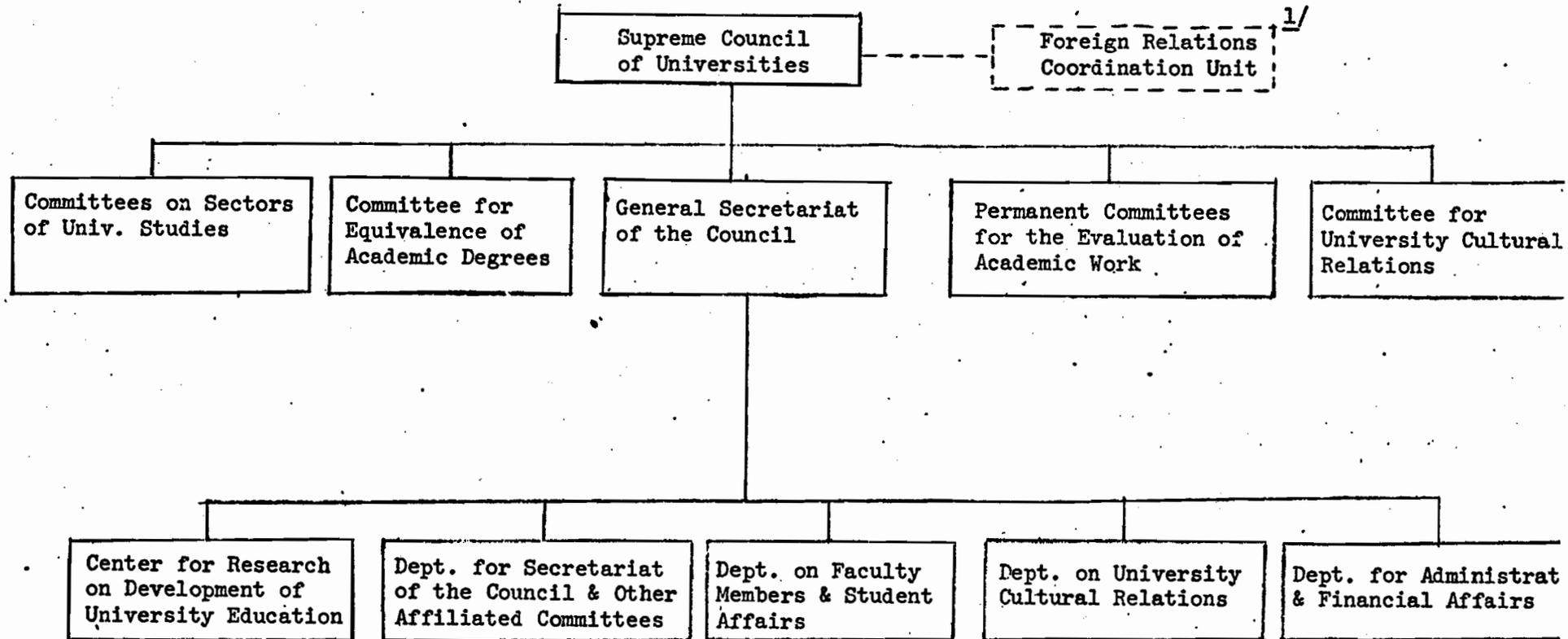
Clearances:

Environmental Coordinator [Signature] Date 6/17/80

Other Mission Offices [Signature] Date 6/17/80

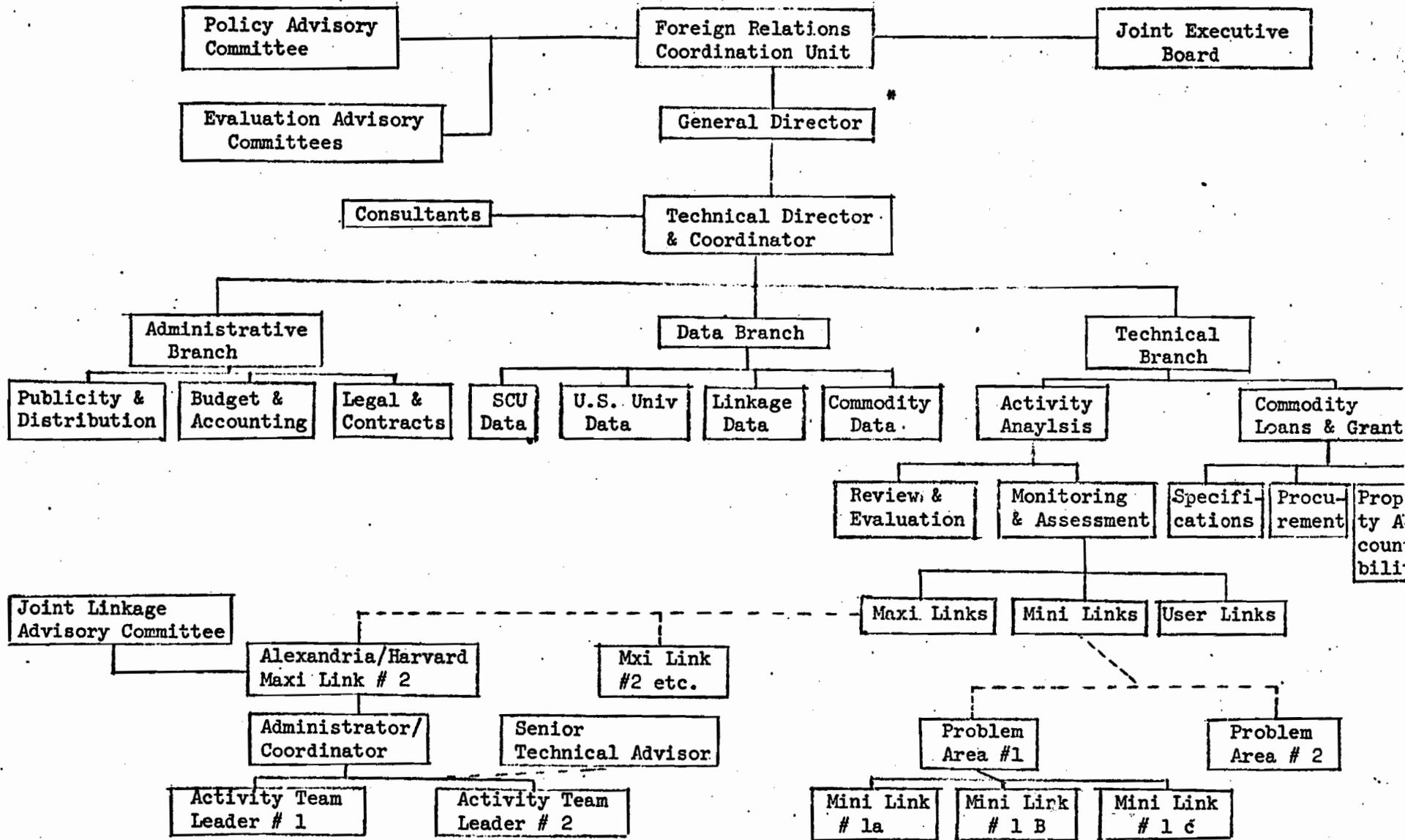
ANNEX XI

ANNEX XI
Figure I
Supreme Council of Universities
Existing Structure



^{1/} Proposed implementation unit.

ANNEX XI
 Figure II
 University Linkages
 An Illustrative Organizational Approach



* Will be SCU Secretary General

ANNEX XII

Annex XII
 University Linkages
 Illustrative Grants Operation Procedures 1/

<u>Tasks to be Performed</u>	<u>Performed By</u>
I. <u>Project Design Stage (Phase I)</u>	
1. Observation Visit of Key FRCU Personnel	U.S. Grants Foundations
2. Initial Systems and Management Design	Short-Term Consultant/FRCU
3. RFP For Long-Term Consultant	Short-Term Consultant/FRCU
4. Identification/Procurement of FRCU Equipment Needs	Short-Term Consultant/FRCU
5. Final Organizational/Procedural and Policy Guideline Design	Long-Term Contractor/FRCU
II. <u>Project Mobilization Stage</u>	
1. Hire FRCU Staff and Initiate Training	FRCU Long-Term Contractor
2. Form Joint Executive Board	SCU with USAID concurrence
3. Form Policy Advisory Committee	SCU at direction of Joint Executive Board
4. Form Evaluation Advisory Committees	SCU at direction of Joint Executive Board
III. <u>Project Operations Stage</u>	
1. Identify & Prioritize problem Areas	Policy Advisory Committee with FRCU assistance
2. Select Problem Areas	Joint Executive Board
2a. Tentatively Assign Budget Guide Lines	Joint Executive Board with FRCU assistance
3. Request Maxi Link Pre proposals	Secretary General
4. Select Maxi Link Short Lists & Request Full Proposals	Joint Executive Board with FRCU (Evaluation Advisory Committees) assistance.

1/ The grants operation procedure reflected here is premised on the organizational structure illustratively outlined in Annex XI.

<u>Tasks to be Performed</u>	<u>Performed By</u>
5. Short Listed Joint Seminars/ Workshops (Swan ideas and obtain linkage assistance)	FRCU with Evaluation Advisory Committees assistance
6. Evaluate and Select Maxi Links	Joint Executive Board with FRCU (Evaluation Advisory Committees) assistance
7. Form Joint Linkage Advisory Committees	Universities making up each maxi linkage with concurrence by FRCU
8. Request Mini Link Pre-proposals	Secretary General
9. Select Mini Link Short Lists and Request Full Proposals	FRCU with Evaluation Advisory Committees assistance
10. Evaluate and Select Mini Links	FRCU with Evaluation Advisory Committees assistance
11. Identify Potential Activities Within a Maxi Linke	Initially, all universities (part of proposal process) plus Linkage Advisory Committees (on-going basis)
12. Select Activities within a Maxi Link	Dictated by proposals selected plus Linkages Advisory Committees (on-going basis)
13. Select Inputs Making Up an Activity Mini-Maxi	Part of proposal process plus Linkage Advisory Committees for Maxi Links
14. Monitor and Assess Maxi Link Performance	Maxi Link Administrator/ Coordinator Maxi Link Senior Technical Advisor FRCU
15. Monitor and Assess Mini Links	FRCU
16. Form & Maintain Liaison with Potential Porblem Solving Users	FRCU

Tasks to be Performed

Performed By

- | | |
|--|---|
| 17. Publicize and distribute results of Linkage Activities | FRCU |
| 18. Centralized Management | FRCU with Contractor backstopping |
| 19. Maxi Linkage Management | Administrator/Coordinator with Senior Technical Advisor for each maxi link
Backstopping from #18 |
| 20. Activity Management (Including Mini Links) | Activity Team Leaders with backstopping from # 19 for maxi links and from # 18 for mini links. |

ANNEX XIII

ANNEX XIII
University Linkages
Illustrative Composition
Joint Executive Board

A. Responsibilities

1. Review and approve annual development problem area list to be used for solicitation of proposals. (Includes sub committee to cross-prioritize recommendations made by each of the seven policy advisory committees).
2. Review and approve annual budget allocations. (Includes setting the total budget level, the overall split between mini and maxi linkages, and the tentative planning budgets for individual maxi links).
3. Review and approve all maxi linkage awards.
4. Formulate and amend policy guidelines, as necessary, to insure that project intent is being met.
5. Review periodic progress reports prepared by FRCU.
6. Provide source of arbitration for policy and implementation disputes.

B. Composition - 12 members (9 voting)

<u>Members</u>	<u>Designated By</u>
Ministry of Education (Chairman)	--
<u>Egyptian</u>	
3 University Rectors (rotated annually)	Minister of Education
Secretary General of SCU	--
1 Scientific Community (non-university)	Minister of Education
1 Non-Scientific Community chosen for interest in development	Minister of Education
Minister of Planning (or designee)	--
FRCU Technical Director/Coordinator (non-voting)	--
<u>American</u>	
AID Official (non-voting)	USAID
Long Term Consultant (non voting)	--
Director of Fulbright Commission	--

Annex XIII
University Linkages
Policy Advisory Committees

A. Responsibilities

1. Review, identify and evaluate candidates for annual development problem area list.
2. Prioritize development problem areas and make recommendations to the Joint Executive Board through the FRCU.

B. Composition

1. There will be approximately seven policy advisory committees representing the sixteen discipline areas comprising the Egyptian University system. The seven policy advisory committees are tentatively composed of the following discipline areas:
 - (1) Medicine
Dentistry
Pharmacology
 - (2) Engineering
 - (3) Agriculture
Veterinary Medicine
 - (4) Basic Sciences
 - (5) Letters, Arts & Human Studies
 - (6) Law
Commerce
Statistical Studies
Political and Economic Studies
 - (7) Educational Studies & Teacher Training
Fine Arts & Applied Arts
Physical Education
Musical Education
2. Each committee will consist of five voting members and one non-voting member.

Members

3 members from SCU standing policy committees

Designated By

SCU Secretary General

Members

1 member from appropriate GOE
Ministry

1 External Member from Public or
Private Sector (drawn from present
members on standing SCU policy
committees)

1 FRCU Staff Member (non voting)

Designated By

Appropriate Minister

Minister of Education

FRCU Technical Director/
Coordinator

Annex XIII
University Linkages
Illustrative Composition
Evaluation Advisory Committees

A. Responsibilities

1. Evaluate pre-proposals and select the short list.
2. Evaluate full proposals and make recommendations for grant awards to the Joint Executive Board (maxi linkages) and to the FRCU (mini linkages).
3. Evaluate periodic reports on on-going grants and recommend whether funding is to be continued.
4. Evaluate final reports and recommend whether funding is to be continued. (Post Mortem).
5. Perform any other tasks assigned by the Joint Executive Board or the FRCU.

B. Composition - Each of the evaluation advisory committees will have 3 voting members and 1 non-voting member. Evaluation committees will be formed as required.

<u>Membership</u>	<u>Designated By</u>
2 members to be chosen from standing SCU evaluation committees	FRCU
1 non university member chosen for specialization in subject	Minister of Education
1 FRCU Staff Member (non-voting)	FRCU

Annex XIII
University Linkages
Illustrative Composition
Maxi Link Advisory Committees

A. Responsibilities

1. Provide technical and policy backstopping to maxi linkage activities.
2. Approve deviations from original activity proposals, except changes in principal investigator or major changes in scope of work or topic area which are to be approved by the Joint Executive Board.
3. Provide first level of arbitration in case of disputes.

B. Composition

Maxi Link Administrator/Coordinator (alternate Egyptian/American)	Mutual agreement by both universities
Senior Technical Advisor (Alternate Egyptian/American)	Mutual agreement by both universities
1 Participating Egyptian Professor	Egyptian University
1 Participating American Professor	American University
1 Member - Appropriate GOE Ministry	Appropriate GOE Minister
1 Member - Public or Private Sector (current member of standing SCU Committees)	Minister of Education
1 FRCU Staff Member	FRCU

ANNEX XIV

Annex XIV
University Linkages
Illustrative Problem Identification Procedure

Phase I

1. Begin with Cairo University Development Studies priority list.
2. Obtain reactions of Cairo University faculty deans plus professors suggested by each dean.
3. Revise list.
4. Take revised list to each university rector in Egypt and ask who to talk to.
5. After going to each university revise the list a second time.
6. Send second revision of list to the Policy Advisory Committees.
7. Policy Advisory Committees will review, add or subtract and prioritize problem areas in their discipline area. Inter-disciplinary problem areas should be considered by each of the relevant policy advisory committees and ranked within their own list.
8. Policy Advisory Committee recommendations are forwarded to the Joint Executive Board Sub-Committee for cross prioritization between discipline areas.
9. The Joint Executive Board Sub Committee will forward a single prioritized list of recommendations to the full Board for its consideration.
10. The final list of priority development problem areas for which activity proposals will be solicited is agreed upon and approved by the Joint Executive Board. Prior to final approval the list of candidate problem areas will be submitted to the Academy of Science and Technical Research for its comments on possible duplication of effort.

Phase II

1. FRCU will accept written recommendations for priority development problem areas from anyone at anytime. These recommendations will be turned over to the Policy Advisory Committees when they begin their annual review and identification process.

2. In addition, a questionnaire will be sent each year to all university rectors and each GOE minister requesting suggestions for the priority development problem list.
3. University rectors will provide this information down to the department level where the information is to be passed to individual professors.
4. Each university will return a prioritized list of development problem areas, presumably ones in which the university desires to work.
5. All prioritized lists and recommendations collected during the year will be provided to the Policy Advisory Committees for their consideration.
6. Each Policy Advisory Committee will review, add or subtract and prioritize problem area candidates in their discipline area.
7. Each Policy Advisory Committee will forward its recommendations to the Joint Executive Board Sub-committee for cross prioritization between discipline areas. Inter-disciplinary problem areas should be considered by each of the relevant policy advisory committees and ranked within their own list.
8. The Joint Executive Board Sub-committee will forward a single prioritized list of candidates to the full Board for its consideration.
9. The final list of priority development problem areas for which activity proposals will be solicited is agreed upon and approved by the Joint Executive Board. Prior to final approval the list of candidate problem areas will be submitted to the Academy of Science and Technical Research for its comments on possible duplication of effort.

ANNEX XV

Annex XV
University Linkages
Illustrative Grant Award Procedure

1. Upon receipt of the annual development problem area list and budget from the Joint Executive Board, the FRCU will notify each university rector and request that the information be passed to all faculty members under normal Supreme Council procedures. The solicitation of proposals may also be advertised in any other manner deemed appropriate. Procedures and requirements relating to the proposal process will be clearly set out in the above steps.
2. Pre-proposals, not more than 3-5 pages, will be accepted for each of the priority problem areas. The proposals will be from Egyptian universities only and will not name U.S. universities at that time. The pre-proposals will be screened on the basis of the qualifications of the Egyptian faculty involved, the technical merit of the approach suggested (where applicable), the potential significance of the proposed activity in terms of the development problem area addressed, and cost effectiveness. Pre-proposals will be required for both maxi and mini-linkages although not all problem areas may have maxi linkages.
3. Pre-proposals will be evaluated and short listed by Evaluation Advisory Committees set up for each problem area. Full joint proposals (U.S. and Egyptian) will be requested from those on the short list.
4. Short-listed Egyptian universities which need help in finding a counterpart U.S. university to prepare the joint proposal may seek assistance from the FRCU U.S. universities information unit and the long term U.S. Advisors. A data bank on U.S. universities will be developed with the FRCU and the long term contractor is expected to provide a tie-in to U.S. academic associations and councils with an interest in Third World development.
5. Joint Proposals for each problem area will be evaluated by the Evaluation Advisory Committee set up for each problem area. The same criteria used for pre-proposals will be used in evaluation. Proposals considered worthy of funding will be identified and ranked in order of priority. Recommendations will be presented to the FRCU which will forward maxi-linkage recommendations to the Joint Executive Board for approval. Mini-linkage recommendations will be reviewed and approved by the FRCU.

Note: It may be expected that the pre-proposal process will take two months; the full proposal process three months, and the total process (from point of solicitation to point of award) six months.

ANNEX XVI

ARAB REPUBLIC OF EGYPT
MINISTRY OF EDUCATION, CAIRO

OFFICE OF THE MINISTER

CAIRO IN

Mr. Donald Brown
Director
Agency for International Development
American Embassy
Cairo

Dear Mr. Brown;

In keeping with our earlier discussions on the potential desirability of collaborative U.S. and Egyptian university activities I wish, on behalf of the Government of Egypt, to request assistance in this area.

It would be hoped that assistance could be made available to the supreme Council of Universities to fund joint activities between Egyptian and U.S. Universities focused on Egyptian development problems. We would envision a competitive grants commission approach that would make annual awards on the basis of joint U.S. -Egyptian proposals. Accordingly, assistance would be needed in establishing a grants operation. I have recently established the Foreign relations Coordination Unit within the Supreme Council to work on these matters and it would be the logical recipient of such assistance.

I look forward to your early and favorable reply.

Sincerely yours,
Moustafa Kamal Helmy
Moustafa Kamal Helmy
Minister of Education
& Scientific Research

ANNEX XVII

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TAGS:

SUBJECT: UNIVERSITY LINKAGES PROJECT (263-0118) IDENTIFICATION PAPER REVIEW BY THE NEAR EAST ADVISORY COMMITTEE

1. NEAC REVIEWED SUBJECT PID JULY 17, 1980 AND APPROVED THE DEVELOPMENT OF THE PROJECT PAPER (PP). DURING THE REVIEW OF THE PID THE FOLLOWING ISSUES AND COMMENTS WERE DISCUSSED AND ARE INCLUDED BELOW FOR MISSION GUIDANCE.

A. CRITERIA

(A) AS PID SUGGESTS PROJECT OBVIOUSLY SHOULD HAVE AN ORIENTATION TOWARD DEVELOPMENT. HOWEVER CARE SHOULD BE TAKEN TO PERMIT PROJECT TO FUNCTION WITHIN BROADLY DEFINED AREAS REASONABLY RELATED TO DEVELOPMENT AND WITHIN ACCEPTABLE BOUNDARIES. OVERALL EGYPTIAN INSTITUTIONAL DEVELOPMENT ASPECT OF PROJECT SHOULD EMBRACE WIDE SPECTRUM OF UNIVERSITY OPERATION INCLUDING SUCH ASPECTS AS FACULTY IMPROVEMENT, RESEARCH, CURRICULUM REVISION AND OUTREACH PROGRAM. IN NEAC'S OPINION THE PP SHOULD AVOID CREATING AN OVERSTRUCTURED, RESTRICTED ARENA OF OPERATION, AND AT SAME TIME AVOID PROJECT BECOMING A CATCHALL FOR EVERY

INCIPENT UNIVERSITY-RELATED IDEA. IN SHORT, PP CRITERIA FOR AREAS OF EMPHASIS ARE NEEDED. AS AN EXAMPLE ONLY, AND NOT TO SERVE AS A DEFINITIVE SET OF STANDARDS, THE MISSION MAY WISH TO REVIEW THE TYPE OF CRITERIA USED FOR DETERMINING THE APPROPRIATENESS OF INTERVENTIONS IN HIGHER EDUCATION AS FOUND IN AID'S DRAFT POLICY STATEMENT ON EDUCATION AND HUMAN RESOURCES WHICH THE MISSION HAS ON FILE.

(B) IN ADDITION TO THE BROAD CRITERIA REQUIRED TO ASSIST THE JOINT EXECUTIVE COMMITTEE IDENTIFY ACCEPTABLE DEVELOPMENT AREAS AND THE EXTENT OF THESE AREAS (A. (A) ABOVE) THERE NEED TO BE CRITERIA DEVELOPED FOR LINKAGE PROPOSAL SELECTION AT THE FOREIGN RELATIONS COORDINATING UNIT AND ADVISORY BOARD LEVEL. THESE CRITERIA FOR PROPOSAL ASSESSMENT SHOULD BE DEVELOPED WITHIN THE SUPREME COUNCIL OF UNIVERSITIES (SCU) AS PART OF PHASE I DEVELOPMENT (SEE B.

BELOW) DURING PROJECT IMPLEMENTATION.

B. PROJECT DESIGN

OF MAJOR CONCERN TO NEAC IS THE NEED TO HAVE AN ORGANIZATIONAL ARRANGEMENT AGREED UPON AND IN PLACE PRIOR TO RELEASE OF FUNDS FOR LINKAGE GRANTS. THIS IS CONSIDERED ESSENTIAL IN ANY EVENT BUT PARTICULARLY CRITICAL IN VIEW OF THE ANTICIPATED INTENSE INTEREST IN THIS PROJECT BY BOTH THE EGYPTIAN AND U.S. UNIVERSITIES ONCE THE PROJECT IS APPROVED. IT APPEARS REALISTIC TO EXPECT A VIGOROUS AND WIDESPREAD RESPONSE TO PARTICIPATE IN PROJECT ACTIVITIES. TO AVOID SCU BEING OVERWHELMED BY MYRIAD PROPOSALS AND THE GRANTING OF LINKAGE FUNDING BEFORE PROJECT IS ORGANIZATIONALLY PREPARED TO COPE, NEAC CONCLUDED THAT A PHASED IMPLEMENTATION PLAN IS REQUIRED. FIRST PHASE WOULD BE DEVELOPMENTAL INCLUDING SUCH THINGS AS OBTAINING SERVICES OF U.S. CONTRACTOR TO ASSIST SCU, DEVELOP DETAILED PROPOSAL FORMAT CRITERIA FOR SELECTION OF LINKAGE PROPOSALS, ORGANIZATIONAL AND OPERATIONAL DETAIL, FUNDING AND INSTITUTIONAL AGREEMENT PROCEDURES. SECOND PHASE WOULD BE FUNCTIONAL AND INVOLVE RECEIPT, ASSESSMENT, FUNDING AND EVALUATION OF LINKAGE ACTIVITIES WITHIN WELL-THOUGHT-OUT OPERATIONAL FRAMEWORK. IN NEAC OPINION, FOR MISSION TO ATTEMPT; O INCORPORATE REQUIRED OPERATIONAL DETAIL IN FY 80 PP, WOULD MOST CERTAINLY REQUIRE OUTSIDE PROFESSIONAL RESOURCES TO ASSIST MISSION BECAUSE OF MAGNITUDE AND COMPLEXITY OF PLANNING AND SPECIALIZED KNOWLEDGE OF ORGANIZATION AND FUNCTION OF U.S. FOUNDATIONS WHICH LIKELY WOULD BE MODEL FOR SCU GRANTS UNIT. IN VIEW

EXTREMELY SHORT TIME REMAINING FOR PP PREPARATION, APPROVAL AND AUTHORIZATION PRIOR TO END FY 80 NEAC CONCLUDES NECESSITY OF TWO PHASE IMPLEMENTATION PLAN OR MISSION RECOGNITION THAT THIS PROJECT WILL OTHERWISE SLIP TO FY 81.

C. IMPLEMENTATION MECHANISM

THE PP SHOULD OUTLINE THE BASIC DETAILS OF THE GRANT OR SIMILAR MECHANISM WHICH WILL BE USED AS THE BASIS FOR LINKAGE AGREEMENTS BETWEEN U.S. AND EGYPTIAN UNIVERSITIES AS WELL AS OUTLINE THE BASIC DETAILS OF THE AGREEMENT BETWEEN SCU AND THE EGYPTIAN UNIVERSITIES. THE BASIC INSTRUMENT TO BE USED FOR EACH STAGE OF LINKAGE ARRANGEMENTS WOULD NEED TO BE APPROVED BY AID. ESSENTIALLY, PROJECT IS VIEWED AS CREATING A CAPITALIZATION FUND FOR THE SCU FOR DISBURSEMENT TO EGYPTIAN UNIVERSITIES. PP SHOULD ADDRESS THE ISSUE OF THE LEGAL STATUS OF SCU AND ITS ESTABLISHMENT WITHIN THE GOE FRAMEWORK. SCU SHOULD ALSO HAVE THE CAPACITY TO MONITOR AND EVALUATE UNIVERSITY TO UNIVERSITY AGREEMENTS RESULTING FROM THE PROJECT. THE PP SHOULD INCLUDE AN APPROPRIATE COVENANT CONCERNING SCU'S CAPACITY AND AUTHORIZATION TO FUNCTION AS A GRANT DISBURSING AGENCY.

D. PROJECT COMPLEXITY

NEAC NOTED MISSION'S PID ISSUE OF POSSIBLE OVERCOMPLEXITY OF PROJECT OPERATION WITHIN SCU. RATIONALE OF PROJECT IS TO PROVIDE MECHANISM WHEREBY U.S. AND EGYPTIAN UNIVERSITIES CAN COMMUNICATE MEANINGFULLY AND EFFECTIVELY INVOLVING MULTITUDE OF APPROACHES OVER EXTENDED PERIOD OF TIME WITH MINIMAL INVOLVEMENT BY AID PERSONNEL. THEREFORE PROJECT OPERATION SHOULD BE NO MORE COMPLICATED THAN EGYPTIAN UNIVERSITIES AND SCU ARE WILLING TO MANAGE BY THEMSELVES FOLLOWING THE COMPLETION OF THE PROJECT. ANY INTRICACIES BEYOND THAT LIKELY WILL DEMAND REENTRY OF

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AID PERSONNEL TO PROJECT MANAGEMENT WHICH WE UNDERSTAND MISSION WISHES TO AVOID. NEAC RECOMMENDS A PROJECT-OPERATIONAL MODE AS SIMPLE AS FEASIBLE WITHIN AID REGULATIONS AND EGYPTIAN EXPECTATIONS OF PROPER PROCEDURE IN ACADEMIC COMMUNITY. TO THIS POINT NEAC QUESTIONED USE OF AID DIRECT HIRE PERSON ON JOINT EXECUTIVE BOARD AND SUGGESTED INSTEAD THAT MISSION PERSON MIGHT BE UNOFFICIAL OR EX-OFFICIO MEMBER. ALSO NEAC DISCUSSED POSSIBILITY ROLE U.S. REPRESENTATIVE ON JOINT EXECUTIVE BOARD MIGHT BE FULFILLED BY FULBRIGHT OR TITLE XII REP, SOMEONE FROM U.S. UNIVERSITY COMMUNITY OR QUALIFIED PRIVATE INDIVIDUAL.

E. COMPENSATION

(A) NEAC DISCUSSED THE NEED, AS A PART OF THE OPERATIONAL ASPECT OF THE PROJECT, FOR AN APPROPRIATE, EQUITABLE SYSTEM OF COMPENSATION FOR EGYPTIAN FACULTY PARTICIPATING IN LINKAGE ACTIVITIES. DURING DISCUSSION IT WAS NOTED THAT NE/TECH IS CURRENTLY DEVELOPING A RESEARCH PROJECT TO IDENTIFY AND EVALUATE OPTIONAL INCENTIVE SCHEMES. HOWEVER, IN VIEW OF COMPLEXITY OF THIS ISSUE AND DIFFICULTIES OF U.S. PERSONNEL ADVISING AND MAKING RECOMMENDATIONS ON SENSITIVE, INHERENTLY EGYPTIAN PROBLEM IT LIKELY ONLY TRUE LASTING SOLUTION WILL COME FROM EGYPTIANS THEMSELVES. NEAC RECOMMENDS THAT PP CONTAIN A PROVISION FOR THE SELECTED CONTRACTOR TO REVIEW PROPOSED NE/TECH RESEARCH RESULTS AND ALSO TO CONDUCT AND ENCOURAGE WHATEVER OTHER STUDIES WHICH MAY BE REQUIRED AT ONSET OF PROJECT TO DETERMINE AN APPROPRIATE MEANS FOR COMPENSATING EGYPTIAN FACULTY PARTICIPATING IN LINKAGE ACTIVITIES.

(B) AS PART OF COMPENSATION DISCUSSION, DATA ACCESSIBILITY AND USE WAS DISCUSSED. DATA DEVELOPED AND PRODUCED BY PROJECT ACTIVITIES SHOULD BE GENERALLY AVAILABLE FOR PUBLIC DISSEMINATION AND PERUSAL AND USE BY AID AND GOE. NEAC CONSIDERS IT USEFUL FOR MISSION TO CONSIDER POLICY FOR THIS PROJECT FOR TREATMENT OF DATA DEVELOPED IN LINKAGES TO OBTAIN OPTIMAL BENEFITS OF LINKAGE WHILE AT THE SAME TIME CONSIDERING POSSIBILITY THAT DATA POLICY MIGHT SERVE AS INCENTIVE TO EGYPTIAN FACULTY.

F. DEFINITION OF TERMS

THE PID, UNDERSTANDABLY, CONSISTENTLY REFERS TO ACTIVITIES INVOLVING UNIVERSITIES. THE TERM UNIVERSITY SHOULD BE DEFINED PRECISELY. DOES THE TERM INCLUDE SUCH ORGANIZATIONS AS FOUR-YEAR COLLEGES, COMMUNITY COLLEGES, TECHNICAL INSTITUTES, ETC. THE MISSION IN PREPARING THE PP, SHOULD ALSO CONSIDER THE ROLE OF TITLE XII INSTITUTIONS IN PROJECT SCOPE AND ASSURE THEIR EQUAL ELIGIBILITY TO LINKAGE ACTIVITIES. NEAC CONSIDERS THE TERM UNIVERSITY TO BE A REASONABLY BROAD ONE INVOLVING THOSE RESOURCES WHICH MIGHT PLAY A BENEFICIAL ROLE AND STILL REMAIN WITHIN THE PROJECT CONCEPT AND THE EGYPTIAN ACADEMIC COMMUNITY UNDERSTANDING OF THAT CONCEPT.

G. PROJECT PURPOSE

NEAC REQUESTS MISSION FORMULATE A PROJECT PURPOSE STATEMENT WHICH CONNOTES A CLEARER SENSE OF PROJECT INTENT.

H. EVALUATION

THE PP SHOULD PROVIDE FUNDS FOR EVALUATION SCHEDULE PURPOSED BY PID. MUSKIE

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ANNEX XVIII

ANNEX XVIII
University Linkages
Justification for 612(b) Determination

The Mission considers the University Linkages Project an important step in engaging a highly talented and vocal segment of the Egyptian population in the process of economic and social development. The Mission considers the Project to have potentially long-term significance in terms of central CDSS objectives.

A large portion of the Project is estimated to involve local cost financing, including incentive compensation, air travel, per diem, commodities, and overhead. The GOE contribution is estimated at 20% of the total project costs, largely in terms of incentive compensation and overhead. Nevertheless, an estimated 44% of the U.S. grant will be required for local cost financing.

Since all U.S. owned local currency has been programmed, we recommend that the local cost portion of the AID grant be dollar funded. It is estimated that this amount will total \$12.1 million.

ANNEX XIX

UNIVERSITY LINKAGES
University Linkages

5C (2) - PROJECT CHECKLIST

Listed below are statutory criteria applicable generally to projects with FAA funds and project criteria applicable to individual funding sources: Development Assistance (with a subcategory for criteria applicable only to loans); and Economic Support Fund.

CROSS REFERENCES: IS COUNTRY CHECKLIST UP TO DATE?
HAS STANDARD ITEM CHECKLIST BEEN REVIEWED FOR THIS PROJECT?

A. GENERAL CRITERIA FOR PROJECT

1. FY 79 App. Act Unnumbered; FY 80 App. Act Unnumbered; FAA Sec. 634A; Sec. 653(b);

(a) Describe how authorizing and appropriations Committees of Senate and House have been or will be notified concerning the project; (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that figure)?

(a) Congress will be notified with regular Agency procedures.

(b) The intended obligation is within the level of funds appropriated for Egypt.

2. FAA Sec. 611(a) (1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial, and other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

(a) Yes.

(b) Yes.

3. FAA Sec. 611(a) (2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

GOE has indicated agreement in principle to budget funds for incentive compensation under the project. In addition, the Project Agreement provides a covenant on this project component.

4. FAA Sec. 611(b); FY 79 App. Act Sec. 101; FY 80 App. Act Sec. (501.) If for water or water-related land resource construction, has project met the standards and criteria as per the Principles and Standards for Planning Water and Related Land Resources dated October 25, 1973?

N.A.

5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project?

N.A.

6. FAA Sec. 209. Is project susceptible of execution as part of regional or multilateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs.

No.

7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; (c) encourage development and use of cooperatives, credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions.

It is anticipated the Project will encourage efforts of the country in (e) because of its strong emphasis on development problem solving.

8. FAA Sec. 601(b). Information and conclusion on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise).

The project will foster collaboration in development problem-solving activities by U.S. and Egyptian faculty members. These relationships are expected to improve the prospects for private trade and investment through information exchange and personal contacts.

9. FAA Sec. 612(b); Sec. 636(h). Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized to meet the cost of contractual and other services.

Egyptian Government contributions will be in kind as well as in the form of additional salary incentive payments. U.S.-owned local currency is fully programmed and not available for this project.

10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release?

All U.S.-owned local currency has been programmed. None is available for this project.

11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise?

Yes.

12. FY 79 App. Act, Sec. 608; FY 80 App. Act Sec. (521.) If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity?

N.A.

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance Project Criteria

a. FAA Sec. 102(b); 111; 113; 281a.

Extent to which activity will

(a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts

N.A.

of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

b. FAA Sec. 103, 103A, 104, 105, 106, 107.

Is assistance being made available: (include only applicable paragraph which corresponds to source of funds used. If more than one fund source is used for project, include relevant paragraph for each fund source.)

(1) [103] for agriculture, rural development or nutrition; if so (a) extent to which activity is specifically designed to increase productivity and income of rural poor; [103A] if for agricultural research, full account shall be taken of the needs of small farmers, and extensive use of field testing to adapt basic research to local conditions shall be made; (b) extent to which assistance is used in coordination with programs carried out under Sec. 104 to help improve nutrition of the people of developing countries through encouragement of increased production of crops with greater nutritional value, improvement of planning, research, and education with respect to nutrition, particularly with reference to improvement and expanded use of indigenously produced foodstuffs; and the undertaking of pilot or demonstration programs explicitly addressing the problem of malnutrition of poor and vulnerable people; and (c) extent to which activity increases national food security by improving food policies and management and by strengthening national food reserves, with particular concern for the needs of the poor, through measures encouraging domestic production, building national food

N.A.

reserves, expanding available storage facilities, reducing post harvest food losses, and improving food distribution.

(2) [104] for population planning under sec. 104(b) or health under sec. 104(c); if so, (a.) extent to which activity emphasizes low-cost, integrated delivery systems for health, nutrition and family planning for the poorest people, with particular attention to the needs of mothers and young children, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems and other modes of community research.

N.A.

(3) [105] for education, public administration, or human resources development; if so, extent to which activity strengthens nonformal education, makes formal education more relevant, especially for rural families and urban poor, or strengthens management capability of institutions enabling the poor to participate in development; and (b.) extent to which assistance provides advanced education and training of people in developing countries in such disciplines as are required for planning and implementation of public and private development activities.

N.A.

(4) [106] for technical assistance, energy, research, reconstruction, and selected development problems; if so, extent activity is: (i) (a) concerned with data collection and analysis, the training of skilled personnel, research on and development of suitable energy sources, and pilot projects to test new methods of energy production; and (b) facilitative of geological and geophysical survey work to locate potential oil, natural gas, and coal reserves and to encourage exploration for potential oil, natural gas, and coal reserves.

(ii) technical cooperation and development, especially with U.S. private and voluntary, or regional and international development, organizations; N.A.

(iii) research into, and evaluation of, economic development processes and techniques; N.A.

(iv) reconstruction after natural or manmade disaster; N.A.

(v) for special development problems, and to enable proper utilization of earlier U.S. infrastructure, etc., assistance;

(vi) for programs of urban development, especially small labor-intensive enterprises, marketing systems, and financial or other institutions to help urban poor participate in economic and social development. N.A.

c. [107] is appropriate effort placed on use of appropriate technology? (relatively smaller, cost-saving, labor using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor.) N.A.

d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or has the latter cost-sharing requirement been waived for a "relatively least developed" country)? N.A.

e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"? N.A.

f. FAA Sec. 281(b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's N.A.

intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

g. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

N.A.

2. Development Assistance Project Criteria (Loans Only)

a. FAA Sec. 122(b). Information and conclusion on capacity of the country to repay the loan, at a reasonable rate of interest.

N.A.

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan?

N.A.

3. Project Criteria Solely for Economic Support Fund

a. FAA Sec. 531(a). Will this assistance promote economic or political stability? To the extent possible, does it reflect the policy directions of section 102?

(a) This assistance will contribute to economic stability and reflects section 102 policy directions

b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities?

(b) No.

5C(3) - STANDARD ITEM CHECKLIST

Listed below are statutory items which normally will be covered routinely in those provisions of an assistance agreement dealing with its implementation, or covered in the agreement by imposing limits on certain uses of funds.

These items are arranged under the general headings of (A) Procurement, (B) Construction, and (C) Other Restrictions.

A. Procurement

1. FAA Sec. 602. Are there arrangements to permit U.S. small business to participate equitably in the furnishing of commodities and services financed?

Use of small businesses will be considered but is expected to be limited because of the project focus on universities.

2. FAA Sec. 604(a). Will all procurement be from the U.S. except as otherwise determined by the President or under delegation from him?

Yes.

3. FAA Sec. 604(d). If the cooperating country discriminates against U.S. marine insurance companies, will commodities be insured in the United States against marine risk with a company or companies authorized to do marine insurance business in the U.S.

N.A.

4. FAA Sec. 604(e). If offshore procurement of agricultural commodity or product is to be financed, is there provision against such procurement when the domestic price of such commodity is less than parity?

N.A.

5. FAA Sec. 603 Compliance with requirement in section 901(b) of the Merchant Marine Act of 1936, as amended, that at least 50 per centum of the gross tonnage of commodities (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed shall be transported on privately owned U.S.-flag commercial vessels to the extent that such vessels are available at fair and reasonable rates.

Yes.

6. FAA Sec. 608(a). Will U.S. Government excess personal property be utilized wherever practicable in lieu of the procurement of new items?

Yes.

7. FAA Sec. 621. If technical assistance is financed, to the fullest extent practicable will such assistance, goods and professional and other services from private enterprise, be furnished on a

Yes.

contract basis? If the facilities of other Federal agencies will be utilized, are they particularly suitable, not competitive with private enterprise, and made available without undue interference with domestic programs?

Yes.

8. International Air Transport. Fair Competitive Practices Act, 1974.

If air transportation of persons or property is financed on grant basis, will provision be made that U.S.-flag carriers will be utilized to the extent such service is available?

Yes.

9. FY 79 App. Act, Sec. 105; FY 80 App. Act Sec. [505.] Does the contract for procurement contain a provision authorizing the termination of such contract for the convenience of the United States?

Yes.

B. Construction

1. FAA Sec. 601(d). If a capital (e.g., construction) project, are engineering and professional services of U.S. firms and their affiliates to be used to the maximum extent consistent with the national interest?

N.A.

2. FAA Sec. 611(c). If contracts for construction are to be financed, will they be let on a competitive basis to maximum extent practicable?

N.A.

3. FAA Sec. 620(k). If for construction of productive enterprise, will aggregate value of assistance to be furnished by the U.S. not exceed \$100 million?

N.A.

C. Other Restriction

1. FAA Sec. 122(b). If development loan, is interest rate at least 2% per annum during grace period and at least 3% per annum thereafter?

N.A.

2. FAA Sec. 301(d). If fund is established solely by U.S. contributions and administered by an international organization, does Comptroller General have audit rights? N.A.
3. FAA Sec. 620(h). Do arrangements exist to insure that United States foreign aid is not used in a manner which, contrary to the best interests of the United States, promotes or assists the foreign aid projects or activities of the Communist-bloc countries? Yes.
4. FAA Sec. 636(i). Is financing not permitted to be used, without waiver, for purchase, sale, longterm lease, exchange or guaranty of motor vehicles manufactured outside the U.S.? Yes.
5. Will arrangements preclude use of financing? Yes.
- a. FAA Sec. 104(f). To pay for performance of abortions as a method of family planning or to, motivate or coerce persons to practice abortions; to pay for performance of involuntary sterilization as a method of family planning, or to coerce or provide financial incentive to any person to undergo sterilization? Yes.
- b. FAA Sec. 620(g). To compensate owners for expropriated nationalized property? Yes.
- c. FAA Sec. 660. To provide training or advice or provide any financial support for police, prisons, or other law enforcement forces, except for narcotics programs? Yes.
- d. FAA Sec. 662. For CIA activities? Yes.
- e. FY 79 App. Act, Sec. 104; FY 80 App. Act Sec. [504.] To pay pensions, etc., for military personnel? Yes.
- f. FY 79 App. Act, Sec. 106; FY 80 App. Act. Sec. [506.] To pay U.N. assessments? Yes.

g. FY 79 App. Act, Sec. 107; FY 80 App. Act. Sec. [507.] To carry out provisions of FAA section 209(d)? (Transfer of FAA funds to multilateral organizations for lending.)

Yes.

h. FY 79 App. Act, Sec. 112; FY 80 App. Act Sec. [511.] To finance the export of nuclear equipment, fuel, or technology or to train foreign nationals in nuclear fields?

Yes.

i. FY 79 App. Act, Sec. 601; FY 80 App. Act Sec. [515.] To be used for publicity or propaganda purposes within U.S. not authorized by Congress?

Yes.

ANNEX XX

ACTING AID
ACTION MEMORANDUM FOR THE ADMINISTRATOR

THRU: ES *pc*

THRU: AA/PPC, Alexander Shakow *Shakow*

FROM: A-AA/NE, Alfred D. White *White*

SUBJECT: Egypt - Project Authorization for University Linkages,
263-0118

Problem: Your authorization is required for the grant funding of the Egypt University Linkages Project, a five year project with life-of-project funding of \$27,500,000 all of which is to be obligated in FY 80.

Discussion: Egyptian universities represent a valuable potential resource which can be used effectively in solving Egypt's development problems. However, universities in Egypt traditionally have concerned themselves with research which had an academic objective rather than pursuing applied, utilitarian problem solving which addresses development needs. Little has been done in the past to change the traditional approach or to mobilize the talent inherent in the universities to create a capability to deal effectively and in a coordinated way with the complexities of development. The University Linkages project will provide an avenue for Egyptian universities to become meaningfully involved in the development of their country. Through associations with universities in the United States, Egypt's 11 state institutions of higher learning will work on development-related problems and through this technique enhance their state of the art knowledge and experience in dealing with development problems. There are no current human rights issues under Section 502B of the Foreign Assistance Act that would preclude provision of this assistance to Egypt. The Congressional notification expired on September 19th without objection.

Recommendation: That you sign the attached Grant Authorization.

Attachments:

1. Grant Authorization
2. Summary Description of Project
3. Documentation Summary
4. Project Paper

Clearance:

GC: N. Holmes *K. Holman for 9/18/80*
PPC/PDPR: J. Eriksson *J. Eriksson 9/19/80*

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

PROJECT AUTHORIZATION

Name of Country: Arab Republic
of Egypt

Name of Project: University
Linkages

Number of Project: 263-0118

1. Pursuant to Section 531 of the Foreign Assistance Act of 1961, as amended (the "Act"), I hereby authorize the University Linkages Project for the Arab Republic of Egypt (the "Cooperating Country") involving planned obligations of not to exceed \$27,500,000 (Twenty-Seven Million Five Hundred Thousand Dollars) in grant funds over a one-year period from date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project.

2. The Project consists of assistance to the Cooperating Country in (a) establishing a grants-commission capability within the Foreign Relations Coordination Unit ("FRCU") of the Supreme Council of Universities ("SCU") and (b) financing collaboration between United States and Cooperating Country universities in activities related to solving problems of development. Unless A.I.D. agrees otherwise in writing, local currency costs financed under the grant will not exceed the Egyptian Pound equivalent of \$12,000,000 (Twelve Million Dollars).

3. The Project Agreement which may be negotiated and executed by the officers to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate:

a. Source and Origin of Goods and Services

Goods and services, except for ocean shipping, financed by A.I.D. under the project shall have their source and origin in the Cooperating Country or in the United States, except as A.I.D. may otherwise agree in writing. Ocean shipping financed by A.I.D. under the project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States.

b. Conditions Precedent to Disbursement

(1) Initial Disbursement

Prior to initial disbursement, or the issuance by A.I.D. of documentation pursuant to which disbursement will be made, the Grantee shall, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) A statement of the names and titles of the persons who will act as representatives of the Grantee, together with a specimen signature of each person specified in such statement.

(b) Evidence that the FRCU has been established and will operate with procedures and an employee compensation policy satisfactory to A.I.D.

(c) Evidence that the SCU and FRCU have been delegated all legal authority necessary to implement the project, including, but not limited to, the authority to make linkage awards to Egyptian and United States entities, to monitor the use of such awards and to make disbursements for both local currency and foreign exchange costs in a timely manner.

(2) Disbursement for First-Grant-Cycle Mini-Linkages

Prior to disbursement, or the issuance by A.I.D. of documentation pursuant to which disbursement will be made, for the first-grant-cycle mini-linkages, the Grantee shall, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) Evidence that the long-term technical assistance contractor as approved by A.I.D. has been engaged by the Grantee.

(b) Evidence that the Grantee has established procedures acceptable to A.I.D., for the trail period of mini-linkage awards.

(3) Disbursement for Linkages Other Than First-Grant-Cycle Mini-Linkages

Prior to disbursement, or the issuance by A.I.D. of documentation pursuant to which disbursement will be made, for linkages other than first-grant-cycle mini-linkages, the Grantee shall, except as the Parties otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D., evidence that the organization, procedures and policies necessary for the full-scale grant system have been established and that the FRCU has in place adequate staff, office space and equipment to implement such system.

c. Covenants

(1) The Cooperating Country shall covenant to pay all compensation of Grantee employees beginning not later than the beginning of the Grantee's third fiscal year after satisfaction of the conditions precedent for disbursement for linkages other than first-grant-cycle mini-linkages.

(2) The Cooperating Country shall covenant to establish or cause to be established formal procedures acceptable to A.I.D. which will ensure that environmental considerations are taken into account in determining whether or not a particular linkage proposal qualifies for an award.

(3) The Cooperating Country shall covenant that, except as A.I.D. may otherwise agree in writing, it will take appropriate action through the SCU and FRCU to insure that activities financed under the project do not include weather modification, police, public safety or military training and related fields; or training or research in nuclear technology.

(4) The Cooperating Country shall covenant that, except as A.I.D. may otherwise agree in writing, an amount of Two Million, Five Hundred Thousand United States dollars shall be set aside from funds made available under the Agreement for linkages between Cooperating Country and U.S. minority universities. Amounts set aside, but not committed, within four years from the date of signing of the Agreement shall be available for general Project purposes.

4. Based upon the justification set forth in the Project Paper, I hereby determine, in accordance with Section 612(b) of the Act, that the expenditure of United States dollars for the procurement of goods and services in Egypt is required to fulfill the purposes of the project; the purposes of the project cannot be met effectively through the expenditure of United States-owned local currencies for such procurement; and the administrative official approving local costs vouchers may use this determination as the basis for the certification required by Section 612(b) of the Act.

Acting Alexander Shal
Administrator

9/19/80
Date

Clearances:
A-AA/NE: Alfred D. White A Date: 9-16-80
GC: Norman L. Holmes KCK/10 Date: 9/18/80
AA/PPC: Alexander Shakow CP Date: 9/19/80

Drafter: GC/NE: TC / Ter: paj: 9/15/80

ACTING

ACTION MEMORANDUM FOR THE ADMINISTRATOR

THRU: ES ^{NC}
AA/PPC, Mr. Alexander Shakow ^{CP}

FROM: A-AA/NE, Alfred D. White ^{BL}

SUBJECT: University Linkages Project 263-0118 (Egypt)

Problem: Your approval is required for two minor amendments to the subject project authorization.

Discussion: In finalizing the subject Project Agreement prior to signature in late September, two minor problems arose. First a minority set aside of \$2.5 million of the total \$27.5 million dollar project had been worked out with the Egyptians using the term "minority institutions" as the description of eligible universities. In final negotiations with the Egyptians, there was concern that this term was too vague and strong preference was expressed by the Egyptians for the use of the term "1890 land grant institutions." Such institutions are the historically black land grant institutions which benefited from the second Morrill Act. ^{1/} The second item involved limiting the term of the set aside to three years rather than four years because the Egyptians preferred not to have the money tied up overly long. Both of these items were the subject of a telephone conversation between Don Brown and Joe Wheeler on September 27, and the substance of both changes was agreed to.

The attached amendment to the Project Authorization must be executed by you because of the size of the total project. It accomplishes the changes referred to above but with one wrinkle. An error was apparently made in the execution of the grant agreement whereby the term "land grant institutions" was used instead of the agreed "1890 land grant institutions." This was apparently merely an oversight and there is no substantive problem between us and the GOE regarding the institutions which are in fact eligible to benefit from the set aside. We have therefore made the proposed amendment to the authorization conform to the signed grant agreement to avoid the necessity of a formal amendment of that document. We intend, however, to insure in our cable to the Mission that it understands, and makes known to the Egyptians in implementation letters, that the eligible group is in fact "1890 land grant institutions."

^{1/} 7 U.S.C. §323

Recommendation: That you sign the attached authorization amendment.

Attachment:

Amendment to Project Authorization for your signature

Clearances:

GC:Norman L. Holmes JTA Date: 12/16/80 *
 AA/PPC:Alexander Shakow _____ Date: _____
 NE/EI:Gerald Kamens AK Date: 12/11
 NE/DP:Peter Sellar PS Date: 12/11
 AAA/PPC/PDPR:John Eriksson JE Date: 12/22
 Drafter:GC/NE:JLKessler:paj:12/8/80:Ext. 28826
 NE/TECH: Lewis P. Reade LR Date: 12/19/80
 NE/TECH: Tom McDonough TM Date: 12/19

* see attached
memo.

UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

AMENDMENT

TO

PROJECT AUTHORIZATION

Name of Country: Arab Republic
of Egypt

Name of Project: University
Linkages

Number of Project: 263-0118

1. Pursuant to Section 531 of the Foreign Assistance Act of 1961, as amended (the "Act"), the University Linkages Project for the Arab Republic of Egypt (the "Cooperating Country") was authorized on September 19, 1980. That Authorization is hereby amended as follows:

a. Section C(4) is amended by deleting the word "minority" in the fifth line thereof and substituting the "1890 land grant.":

b. In the same section the word "four" in the 6th line thereof is deleted and the word "three" inserted in its place.

2. Except as expressly modified hereby the remaining provisions of the Authorization remain in full force and effect.


Acting Administrator

December 29, 1980
Date

Clearances:

A-AA/NE: Alfred D. White /s/ Date: 12/19/80
GC: Norman L. Holmes /s/ Date: 12/16/80
AA/PPC: Alexander Shakow /s/ Date: 12/23/80
Ne/EI: Gerald Kamens /s/ Date: 12/11/80
NE/DP: Peter Sellar /s/ Date: 12/12/80

Drafter: GC/NE: JLKessler: paj: 12/24/80

ANNEX XXI

THE COMMISSION FOR EDUCATIONAL & CULTURAL
EXCHANGE BETWEEN THE U.S.A. & THE A.R.E.



August 13, 1980

Mr. Robert Rucker, PRG/S
Agency for International
Development
Cairo, Egypt

Dear Mr. Rucker:

As requested, this is our current policy in payment of grantees.

GRANTEE STIPENDS AND SUPPORT BUDGET: (U.S. GRANTEES)

I. Full Year Grantee

1. Stipend: (10 months) (\$1,870.00 per month, 60% in U.S. dollars and 40% in local currency)	\$18,700.00
2. Travel: (International transportation) (Average: some are single, but married grantees are allowed travel for spouse only. Payable in local currency)	3,000.00
3. Excess Baggage: (110 lbs. accompanied baggage or 200 lbs. unaccompanied)	400.00
4. Housing and Housing Services: (Average per grantee, payable in local currency)	<u>5,000.00</u>
T O T A L	\$27,100.00

Note:

Education for Children: (per child at
Cairo American College) \$11,000.00 1/

Administrative Services Expenses: (Visas,
orientation, xerox and duplicating ex-
penses, etc.. payable in local currency) \$ 4,500.00

II. Short Term Grantees or Consultants

1. Stipend of \$90.00 per day. Grantee pays housing expenses,
food, etc. no dependent allowance. (The Commission will
attempt to locate convenient modest cost housing for short
term grantee or consultant). No per diem allowance unless
required to perform local travel as a part of assignment.
2. Travel - International transportation and excess baggage,
\$2,178.00 payable in local currency.

Mr. Robert Rucker, PRG/S
Cairo, Egypt

-2-

August 13, 1980

GRANTEE STIPENDS AND SUPPORT BUDGET: (EGYPTIAN GRANTEES)

I. Professor Grantees (It is the policy of the Commission to arrange for financial or in-kind supplements from the institutions in the United States where they are assigned. Generally, a salary of \$18,700 for a ten month period is considered the minimum, although costs of living in regional areas may require adjustment).

1. Full Year Egyptian Grantee. Stipend - for 270 days - \$40.00 per day	\$10,800.00
2. Program Costs	400.00
3. Travel: (International transportation (Average: some are single, but married grantees are allowed travel for spouse only. Payable in local currency)	3,000.00
4. Excess Baggage	400.00
5. Supplement by U.S. host institution	<u>10,000.00</u>
T O T A L	\$24,600.00

II. Researchers - Lecturers

1. 200 days or less. Stipend: \$45.00 per day (Average - 100 days)	\$ 4,500.00
2. Travel (International transportation) for grantee only. No dependents	1,360.00
3. Excess Baggage	<u>400.00</u>
T O T A L (100 days)	\$ 6,260.00

Yours truly,

1/ The estimate for education expenses is based on a family average rather than a per child basis..


Frank W. Blanning
Executive Director

FWB:am

ANNEX XXII

Annex XXII

University Linkages

Eligible Linkage Activities

I. Direct Problem Solving

The purpose of direct problem solving activities is to find answers, alternatives, and, hopefully, solutions to specific development problems. A typical direct problem solving activity should result in concrete recommendations for action. The approach is intended to be utilitarian: a specific problem is defined, a solution is sought, recommendations are made. Three basic types of linkage activities are envisioned in direct problem solving efforts: joint research, joint seminars/workshops/conferences, and joint consultative/advisory roles.

Joint Research. Joint research is intended to be applied, utilitarian research that will provide answers for essentially immediate application. It is intended to fill gaps in information that will allow application of otherwise existing knowledge to an Egyptian problem. This may involve generating original information or collecting and analyzing existing information.

Two examples of the type of research that might be appropriate are energy conservation in industrial furnaces and alternative building materials. In the first example, a recent UNESCO report cites a potential fuel savings of L.E. 50 million per year essentially through more efficient management and operation of existing Egyptian industrial furnaces. If the basic knowledge that would accomplish this feat is already known, it would clearly be appropriate to consider whatever additional research might be necessary to apply it to Egypt.

In the second example, a well known problem has arisen in the Egyptian building materials industry as a result of the Aswan Dam. Egyptian brick making, traditionally dependent on the silt deposited by annual Nile flooding, is in a quandary as its traditional raw material steadily diminishes. This problem has several negative implications including the somewhat surprising one of Egyptian farmers apparently selling their top-soil for use in brick making. Again, this would appear to be a clearly appropriate area for research. A wealth of knowledge is available on alternative building materials technologies that might prove adaptable to the Egyptian situation.

Joint Seminars/Workshops/Conferences. Any of these activities might be used in a supporting role for other linkage activities in the same problem area. They might be used at the beginning of new linkages to initiate other activities, as interim devices to assess progress or as post mortem devices to assess final activity results. Seminars/workshops/conferences need not be limited to members of a single linkage. For example, it might prove quite useful to pull together faculty members from all university linkages working on the same problem area for the same above reasons. Finally, it is conceivable that the seminar/workshop/conference set of activities may be useful in and of themselves, i.e. in non-supporting roles. For example, this set of acti-

vities might be quite useful as a tool for development problem identification or for exposing ideas developed through linkage activities to decision makers and analysts in the GOE, public or private sectors.

Joint Consultative/Advisory Roles. Just as the resolution of some development problems may require filling key information gaps, the resolution of others may simply require the application of existing expertise in consulting or advisory roles. For example, the energy conservation in industrial boilers problem cited earlier might be one that requires consultants or advisors rather than additional research for its resolution. Or, as is more likely, it may require both research and consultative activities. Consultative and advisory roles can be viewed as action oriented, involving the direct application of existing knowledge to reach recommendations for specific end-users, whether the GOE, public or private sectors. However, consultative or advisory activities may occur as part of a package of activities which include the generation of the information that is to be utilized in the consultative or advisory role. Consultative activities are viewed as relatively short-lived attempts to deal with very specifically defined problems. Advisory activities are viewed as probably less intense but long-term assignments, providing direct input on a more or less continuing basis, into the resolution of an end-user problem. Advisory and consultative activities are not intended as a substitute for staff, but rather as complementary inputs.

II. Capacity Building

The purpose of capacity building activities is to prepare Egyptian university departments, faculty members, and, in some cases, students to deal effectively with Egyptian development problems. Capacity building activities might be considered on a time-line ranging from activities developed to support specific needs of currently planned or on-going problem solving efforts, such as described in part I, to activities that are intended eventually to meet development needs, such as the production of more or better trained students in critical skill areas. It would be expected that capacity building activities will often be part of a package of activities making up a linkage, some involving direct problem solving with others preparing Egyptian university departments and faculty members to participate effectively in the planned problem solving activities. Capacity building activities aimed at longer time horizons will probably most often be in these instances where the production of a particular type of student or the university department itself is considered the development problem or an integral part thereof.

Faculty Exchange. Faculty exchange is viewed as a two-way activity that will normally cover at least one academic semester or quarter. The rationale behind faculty exchange is that it immerses faculty members both from the U.S. and Egypt in the academic environment of the other, thus providing an intensive experience for the visiting member and an extensive experience for the faculty department in contact with the visitor. Faculty exchange can be for a wide variety of purposes, and most likely several simultaneously, including faculty improvement, research, curriculum revision, and outreach programs.

ANNEX XXIII

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DRAFTED BY AID/NE/TECH/HRST: THOMAS MCDONOUGH:FJH
APPROVED BY AID/A-AA/NE: ALFRED WHITE
AID/NE/TECH/HRST: STAN APPLIGATE
AID/NE/EI: GERALD KAMENS
AID/NE/TECH: LEWIS READE
AID/NE/PO: ROBERT BELL
AID/GC/NE: TED CARTER
AID/PPC/PB: LAURIE MARSHALL
AID/NE/DP: BRADSHAW LANGHAID
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TAGS:

SUBJECT: UNIVERSITY LINKAGES PROJECT, (263-0118) PROJECT
PAPER REVIEW BY THE NEAR EAST ADVISORY COMMITTEE

REF: (A) STATE 203889, (B) CAIRO 18372, (C) STATE247279

1. NEAC REVIEWED UNIVERSITY LINKAGES PP SEPTEMBER 11, 1988 AND APPROVED THE PROJECT. PROJECT AUTHORIZATION FOR DOLS. 27.5 MILLION WILL BE SUBMITTED FOR THE ADMINISTRATOR'S APPROVAL UPON COMPLETION OF THE WAITING PERIOD FOR THE CONGRESSIONAL NOTIFICATION ON SEPTEMBER 19. WILL ADVISE.

2. THE NEAC REVIEW RAISED NO MAJOR ISSUES. HOWEVER, THE DISCUSSION OF THE PP DID BRING UP A NUMBER OF POINTS AND CONSIDERATIONS WHICH ARE INCLUDED BELOW FOR MISSION GUIDANCE. THEY ARE:

A. INCLUSION OF MINORITY U.S. INSTITUTIONS

1. NEAC WELCOMED THE INCLUSION OF US MINORITY UNIVERSITIES IN A SET ASIDE PROPOSAL. WHILE THE 1890 LAND GRANT GROUP OF INSTITUTIONS IS CONSIDERED TO REPRESENT THE MOST LIKELY PARTICIPANTS IN LINKAGE ACTIVITIES, NEAC SAW NO REASON TO LIMIT TO THIS GROUP US MINORITY INSTITUTION PARTICIPATION

IN THIS PROJECT. NEAC ALSO RECOMMENDS THAT THE DOLS. 2.5 MILLION BE CONSIDERED AS A FUNDING FLOOR AND NOT AS A PROHIBITION FOR US MINORITY INSTITUTIONS PARTICIPATING IN LINKAGES USING DOLS. 25 MILLION GENERAL PROJECT FUNDING. IN VIEW OF FIRST YEAR OF PROJECT BEING ORGANIZATIONAL WITH MINIMUM NUMBER OF LINKAGES EXPECTED TO BECOME OPERATIONAL, SUGGEST THREE YEAR LIMIT ON USE OF SET ASIDE FUNDS BE EXTENDED TO FOUR YEARS. IN ADDITION TO THE PP CHANGES REQUIRED BECAUSE OF THE ADDITION OF DOLS. 2.5 MILLION, AID/V WILL INSERT FOLLOWING PARA IN BODY OF PP, QUOTE: BOTH THE GOE AND AID ENCOURAGE THE PARTICIPATION OF US MINORITY COLLEGES AND UNIVERSITIES IN PROJECT LINKAGE ACTIVITIES. ACCORDINGLY, DOLS. 2,500,000 OF THE TOTAL DOLS. 27,500,000 AUTHORIZED IS TO BE SET ASIDE FOR LINKAGES WITH US MINORITY INSTITUTIONS. A DESIGNATION OF US MINORITY INSTITUTIONS ELIGIBLE FOR LINKAGE ACTIVITIES

WILL BE DETAILED IN AN IMPLEMENTATION LETTER PRIOR TO THE DISBURSEMENT OF ANY OF THE DOLS. 2,500,000 RESERVED FOR THIS PURPOSE. ANY PORTION OF THE DOLS. 2,500,000 SET ASIDE FOR MINORITY INSTITUTIONS WHICH REMAINS UNCOMMITTED AT THE END OF FOUR YEARS FOLLOWING THE SIGNING OF THE GRANT AGREEMENT WILL REVERT TO PROJECT GENERAL USE, END QUOTE. PROJECT AUTHORIZATION WILL ALSO CONTAIN A COVENANT CONCERNING SET ASIDE, WILL ADVISE THAT LANGUAGE ASAP.

B. AREAS OF LINKAGE ACTIVITIES

1. NEAC AGREES WITH MISSION THAT THIS PROJECT BE AN EGYPTIAN ACTIVITY SUPPORTIVE OF GOE FIVE YEAR DEVELOPMENT PLAN. HOWEVER WE WELCOME SAFEGUARD AS PROPOSED IN PP PAGE 11 TABLE 1, ELIGIBLE LINKAGE ACTIVITIES FOOTNOTE 2 QUOTE, EACH YEAR PRIOR TO SOLICITATION OF LINKAGE PROPOSALS, THE SELECTED PROBLEM AREAS WILL BE REVIEWED AND APPROVED BY AID FOR THE ABOVE PURPOSE AND TO INCURE GENERAL CONFORMANCE WITH AID'S LEGISLATIVE PURPOSE END QUOTE. NEAC NOTED THAT THIS REVIEW AND APPROVAL PROCESS WAS NOT REFERRED TO ELSEWHERE IN PP AND RECOMMENDS THAT DETAILS BE SPELLED OUT IN AN IMPLEMENTATION LETTER, PERHAPS KEYED TO SATISFACTION OF CP'S FOR BOTH MINI AND MAXI LINKAGES, I.E. PROCEDURES AND POLICIES TO BE APPROVED BY AID AS A CP TO DISBURSEMENT. NEAC WAS CONCERNED THAT CERTAIN POSSIBLE PROPOSALS FOR LINKAGES MIGHT HAVE TO BE REJECTED EVEN THOUGH THEY MIGHT HAVE HIGH APPEAL AND RELEVANCE TO SOME ELEMENTS OF THE EGYPTIAN ACADEMIC COMMUNITY. A LISTING OF SPECIFIC LESS DESIRABLE ACTIVITIES SHOULD BE AVOIDED BECAUSE IT WOULD TEND TO INHIBIT THE FLEXIBILITY THAT THIS PROJECT SHOULD ENJOY. HOWEVER, PROPOSALS WHICH EMBRACE POLITICALLY OR SOCIALLY SENSITIVE ISSUES OR AREAS

NOT KEYED TO EGYPTIAN DEVELOPMENT PRIORITIES SHOULD BE WEIGHED CAREFULLY AND GIVEN LOW PRIORITY. WE KNOW YOU ARE WELL AWARE OF POTENTIAL PROBLEMS AND ASSUME YOU WILL DISCUSS AS APPROPRIATE WITH EGYPTIANS. APPRECIATE IT IS DIFFICULT TO FAVOR SOME EGYPTIAN UNIVERSITY FACULTIES OVER OTHERS BUT IT IS EXPECTED THAT AREAS SUCH AS, FOR INSTANCE, FINE ARTS AND CLASSICAL MUSIC WOULD FACE STIFF, MOSTLY OVERWHELMING COMPETITION FROM OTHER MORE DEVELOPMENT ORIENTED PROBLEM AREAS. IN GENERAL, PROPOSALS FOCUSING ON AESTHETICS AND THE HIGHER REACHES OF SCIENCE SHOULD BE EXCLUDED, (BUT REALIZE POTENTIAL FOR USEFUL EXCEPTIONS).

C. USE OF LINKAGE RESULTS

1. NEAC RECOMMENDS THAT PLANS FOR THE USE OF LINKAGE RESULTS BE A PART OF THE CRITERIA FOR JUDGING THE ADEQUACY AND PERTINENCE OF LINKAGE PROPOSALS. AID/V WILL ADD TO PP TABLE 11, BASIC PROJECT GUIDELINES, PAGE 15, SECTION 10 AN ITEM NUMBER V, WHICH WILL STATE QUOTE: (V) THE ADEQUACY OF THE PLAN FOR THE UTILIZATION OF RESULTS END QUOTE.

D. NEAC SUGGESTS THAT THE MISSION AND THE SCU CONSIDER A GREATER NON-UNIVERSITY/GOVERNMENT REPRESENTATION ON THE POLICY ADVISORY COMMITTEES. THIS IS TO WIDEN THE RANGE OF INTERESTS IN IDENTIFYING ANNUAL DEVELOPMENT PROBLEM AREAS.

E. EVALUATION RECOGNIZING THAT ANNEX XIII, EVALUATION ADVISORY COMMITTEES, DOES PROPOSE EGYPTIAN INVOLVEMENT, NEAC WANTS TO STRONGLY EMPHASIZE THE IMPORTANCE OF EGYPTIAN PEER GROUP REVIEW AND PARTICIPATION IN SELF EVALUATION. DEPTH AND DEGREE OF EGYPTIAN INVOLVEMENT SHOULD BE SPECIFIED IN DETAIL DURING FIRST YEAR ORGANIZATION PHASE.

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F. GRANTS AND SUBGRANTS

1. IN CONSIDERING THE MECHANISMS FOR THE GRANT AND SUBGRANTS NEAC RECOMMENDS THAT THE MISSION CONSIDER THE FOLLOWING:

A. THE PRC ASSUMES THAT REFERENCES IN THE PP TO APPLICATIONS OF HB 13 AND OTHER AID REGULATIONS ARE INTENDED TO APPLY AT THE SUBGRANT STAGE, I.E., TO THE FRCU SUBGRANTS FOR INDIVIDUAL LINKAGES AND NOT TO THE PROJECT AGREEMENT DIRECT RELATIONSHIP BETWEEN AID AND THE SCU.

B. THE NEED TO BE SURE THAT THE SUBGRANTS CANNOT BE CONSIDERED CONTRACTS SO AS TO AVOID THE MULTITUDE OF PROBLEMS ASSOCIATED WITH CONTRACTING RULES AND PROCEDURES.

C. THE "TERMS OF REFERENCE" FOR A SUBGRANT, SHOULD BE CONSIDERED IN LIGHT OF THE GRANT PROVISIONS IN HB 13 IN DETERMINING ANY REQUIRED SUBGRANT CLAUSES. FOR EXAMPLE, USE OF US FLAG CARRIERS WOULD BE REQUIRED.

D. THE MISSION SHOULD WORK WITH THE LONG-TERM CONTRACTOR AND THE GOE IN DESIGNING AN ACCEPTABLE SUBGRANT AGREEMENT. SINCE US GRANT FUNDING OF US UNIVERSITIES IS INVOLVED, THE FULBRIGHT MODEL COMPARISON MAY NOT BE VALID. THERE SHOULD BE, IN ADDITION, COMMONALITY OF EMPLOYMENT CONDITIONS IN A GENERAL SENSE AMONGST INDIVIDUALS WORKING WITH THE VARIOUS EGYPTIAN UNIVERSITIES UNDER SUBGRANTS.

G. COVENANTS

1. NEAC RECOMMENDS THAT ANNEX XX DRAFT GRANT AGREEMENT SECTION ON COVENANTS, 4C (2) BE REWORDED QUOTE: THE CO-OPERATING COUNTRY AGREES TO ESTABLISH OR CAUSE TO BE ESTABLISHED FORMAL PROCEDURES ACCEPTABLE TO AID WHICH WILL ENSURE THAT ENVIRONMENTAL CONSIDERATIONS ARE TAKEN INTO ACCOUNT IN DETERMINING WHETHER OR NOT A PARTICULAR LINKAGE PROPOSAL QUALIFIES FOR AN AWARD END QUOTE.

2. PP WILL BE CHANGED ACCORDINGLY.

H. DRAFT AUTHORIZATION

1. REF C DRAFT AUTHORIZATION CONTAINS ALL ABOVE NEAC RECOMMENDATIONS RELATED HEREIN. CHRISTOPHER

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ANNEX XXIV

PROJECT
GRANT AGREEMENT
BETWEEN
THE ARAB REPUBLIC OF EGYPT
AND
THE UNITED STATES OF AMERICA
FOR
UNIVERSITY LINKAGES

DATED: September 28, 1980

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Project Grant Agreement

Dated: September 28, 1980

Between

The Arab Republic of Egypt ("Grantee")

And

The United States of America, acting through the Agency for International Development ("A.I.D.").

Article 1: The Agreement

The purpose of this Agreement is to set out the understandings of the parties named above ("Parties"), with respect to the undertaking by the Grantee of the Project described below and with respect to the financing of the Project by the Parties.

Article 2: The Project

SECTION 2.1. Definition of Project. The Project, which is further described in Annex 1, will assist the Grantee to (a) establish a grants-commission capability within the Foreign Relations Coordination Unit ("FRCU") of the Supreme Council of Universities ("SCU") and (b) finance collaboration between United States and Egyptian universities in activities related to solving problems of development.

Within the limits of the above definition of the Project, elements of the amplified description stated in Annex 1 may be changed by written

agreement of the authorized representatives of the Parties named in Section 8.2 without formal amendment of this Agreement.

Article 3: Financing

SECTION 3.1. The Grant. To assist the Grantee to meet the costs of carrying out the Project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to grant the Grantee under the terms of this Agreement not to exceed Twenty-seven Million Five Hundred Thousand United States ("U.S.") Dollars (\$27,500,000)("Grant").

The Grant may be used to finance Foreign Exchange Costs, as defined in Section 6.1, and Local Currency Costs, as defined in Section 6.2, of goods and services required for the Project, except that, unless the Parties otherwise agree in writing, Local Currency Costs financed under the Grant will not exceed the Egyptian Pound equivalent of Twelve Million U.S. Dollars (\$12,000,000).

SECTION 3.2. Grantee Resources for the Project.

(a) The Grantee agrees to provide or cause to be provided for the Project all funds, in addition to the Grant, and all other resources required to carry out the Project effectively and in a timely manner.

(b) The resources provided by Grantee for the Project will be not less than the Egyptian Pound equivalent of Six Million Eight Hundred Sixty Thousand U.S. Dollars (\$6,860,000) including costs borne on an "in-kind" basis.

SECTION 3.3. Project Assistance Completion Date.

(a) The Project Assistance Completion Date ("PACD"), which is September 27, 1985, or such other date as the Parties may agree to in writing, is the date by which the Parties estimate that all services financed under the Grant will have been performed and all goods financed under the Grant will have been furnished for the Project as contemplated in this Agreement.

(b) Except as A.I.D. may otherwise agree in writing, A.I.D. will not issue or approve documentation which would authorize disbursement of the Grant for services performed subsequent to the PACD or for goods furnished for the Project, as contemplated in this Agreement, subsequent to the PACD.

(c) Requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, are to be received by A.I.D. or any bank described in Section 7.1 no later than nine (9) months following the PACD, or such other period as A.I.D. agrees to in writing. After such period, A.I.D., giving notice in writing to the Grantee, may at any time or times reduce the amount of the Grant by all or any part thereof for which requests for disbursement, accompanied by necessary supporting documentation prescribed in Project Implementation Letters, were not received before the expiration of said period.

Article 4: Conditions Precedent to Disbursement

SECTION 4.1. First Disbursement. Prior to any disbursement or to the issuance by A.I.D. of documentation pursuant to which disbursement will be

made, the Grantee shall, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) A statement of the names and titles with specimen signatures of the persons who will act as the representatives of the Grantee;

(b) Evidence that the FRCU has been established and will operate with procedures and an employee compensation policy satisfactory to A.I.D.;

(c) Evidence that the SCU and FRCU have been delegated all legal authority necessary to implement the Project, including, but not limited to, the authority to make linkage awards to Egyptian and United States entities, to monitor the use of such awards and to make disbursements for both Local Currency and Foreign Exchange Costs in a timely manner; and

(d) Such other documentation and information as A.I.D. may reasonably require.

SECTION 4.2. Disbursement for First-Subgrant-Cycle Mini-Linkages.

Prior to disbursement, or the issuance by A.I.D. of documentation pursuant to which disbursement will be made, for the first-subgrant-cycle mini-linkages, the Grantee shall, except as the Parties may otherwise agree in writing, furnish to A.I.D. in form and substance satisfactory to A.I.D.:

(a) Evidence that the long-term technical-assistance contractor as approved by A.I.D. has been engaged by the Grantee.

(b) Evidence that the Grantee has established procedures acceptable to A.I.D., for the trial period of mini-linkage awards.

SECTION 4.3. Disbursement for Linkages Other Than First-Subgrant-Cycle Mini-Linkages. Prior to disbursement, or the issuance by A.I.D. of

documentation pursuant to which disbursement will be made, for linkages other than first-subgrant-cycle mini-linkages, the Grantee shall, except as the Parties otherwise agree in writing, furnish to A.I.D., in form and substance satisfactory to A.I.D., evidence that the organization, procedures and policies necessary for the full-scale subgrant system have been established and that the FRCU has in place adequate staff, office space and equipment to implement such system.

SECTION 4.4. Notification. When A.I.D. has determined that the Conditions Precedent specified in Sections 4.1, 4.2 and 4.3 have been met, it will promptly notify the Grantee.

SECTION 4.5. Terminal Date for Conditions Precedent. If all of the conditions specified in Section 4.1 have not been met within 120 days from the date of this Agreement or such later date as A.I.D. may agree to in writing, A.I.D., at its option, may terminate this Agreement by written notice to Grantee.

Article 5: Special Covenants

SECTION 5.1. Project Evaluation. The Parties agree to establish an evaluation program as part of the Project. Except as the Parties otherwise agree in writing, the program will include, during the implementation of the Project and at one or more points thereafter: (a) evaluation of progress toward attainment of the objectives of the Project; (b) identification and evaluation of problem areas or constraints which may inhibit

such attainment; (c) assessment of how such information may be used to help overcome such problems; and (d) evaluation, to the degree feasible, of the overall development impact of the Project.

SECTION 5.2. Additional Covenants.

(a) The Grantee shall pay all compensation of Grantee employees beginning not later than the beginning of the Grantee's third fiscal year after satisfaction of the Conditions Precedent specified in Section 4.3.

(b) The Grantee shall establish or cause to be established formal procedures acceptable to A.I.D. which will ensure that environmental considerations are taken into account in determining whether or not a particular linkage proposal qualifies for an award.

(c) The Grantee shall, except as A.I.D. may otherwise agree in writing, take appropriate action through the SCU and FRCU to insure that activities financed under the Project do not include weather modification, police, public safety or military training and related fields; or training or research in nuclear technology.

(d) The Grantee shall, except as A.I.D. may otherwise agree in writing, set aside an amount of Two Million Five Hundred Thousand (\$2,500,000) U.S. dollars from funds made available under the Grant for linkages between Egyptian universities and U.S. land-grant universities. Amounts set aside but not subgranted within three years from the date of signing of this Agreement shall be available for general Project purposes.

Article 6: Procurement Source

SECTION 6.1. Foreign Exchange Costs. Disbursements pursuant to Section 7.1 will be used exclusively to finance the costs of goods and services required for the Project having their source and origin in the United States (Code 000 of the A.I.D. Geographic Code Book as in effect at the time orders are placed or contracts entered into for such goods or services) ("Foreign Exchange Costs"), except as A.I.D. may otherwise agree in writing, and except as provided in the Project Grant Standard Provisions Annex, Section C.1(b), with respect to marine insurance.

SECTION 6.2. Local Currency Costs. Disbursements pursuant to Section 7.2 will be used exclusively to finance the costs of goods and services required for the Project having their source and, except as A.I.D. may otherwise agree in writing, their origin in Egypt ("Local Currency Costs").

Article 7: Disbursement

SECTION 7.1. Disbursement for Foreign Exchange Costs.

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for the Foreign Exchange Costs of goods or services required for the Project in accordance with the terms of this Agreement, by such of the following methods as may be mutually agreed upon:

(1) by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, (A) requests for

reimbursement for such goods or services, or (B) requests for A.I.D. to procure commodities or services in Grantee's behalf for the Project; or

(2) by requesting A.I.D. to issue Letters of Commitment for specified amounts (A) to one or more U.S. banks, satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made by them to contractors or suppliers, under Letters of Credit or otherwise, for such goods or services, or (B) directly to one or more contractors or suppliers, committing A.I.D. to pay such contractors or suppliers for such goods or services.

(b) Banking charges incurred by Grantee in connection with Letters of Commitment and Letters of Credit will be financed under the Grant unless the Grantee instructs A.I.D. to the contrary. Such other charges as the Parties may agree to may also be financed under the Grant.

SECTION 7.2. Disbursement for Local Currency Costs.

(a) After satisfaction of conditions precedent, the Grantee may obtain disbursements of funds under the Grant for Local Currency Costs required for the Project in accordance with the terms of this Agreement, by submitting to A.I.D., with necessary supporting documentation as prescribed in Project Implementation Letters, requests to finance such costs.

(b) The local currency needed for such disbursements may be obtained by acquisition by A.I.D. with U.S. Dollars by purchase. The U.S. dollar equivalent of the local currency made available hereunder will be the amount of U.S. dollars required by A.I.D. to obtain the local currency.

SECTION 7.3. Rate of Exchange. Except as may be more specifically provided under Section 7.2, if funds provided under the Grant are introduced into Egypt by A.I.D. or any public or private agency for purposes of carrying out obligations of A.I.D. hereunder, the Grantee will make such arrangements as may be necessary so that funds may be converted into currency of the Arab Republic of Egypt at the highest rate of exchange prevailing and declared for foreign exchange currency by the competent authorities of the Arab Republic of Egypt.

SECTION 7.4. Other Forms of Disbursement. Disbursements of the Grant may also be made through such other means as the Parties may agree to in writing.

Article 8: Miscellaneous

SECTION 8.1. Communications. Any notice, request, document, or other communication submitted by A.I.D. or the Grantee to the other under this Agreement will be in writing or by telegram or cable, and will be deemed duly given or sent when delivered to such party at the following addresses:

To the Grantee:

Ministry of Economy
8 Adly Street
Cairo, Egypt

and

Ministry of Education and
Scientific Research
Sharia El Falaki
Cairo, Egypt

To A.I.D.:

A.I.D.
U.S. Embassy
Cairo, Egypt

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

SECTION 8.2. Representatives. For all purposes relevant to this Agreement, the Grantee will be represented by the individual holding or acting in the offices of Minister of Economy, Minister of State for Education and Scientific Research, and Chairman, Supreme Council of Universities, and A.I.D. will be represented by the individual holding or acting in the office of Director, USAID, each of whom, by written notice, may designate additional representatives for all purposes other than exercising the power under Section 2.1 to revise elements of the amplified description in Annex 1. The names of the representatives of the Grantee, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

SECTION 8.3. Standard Provisions Annex. A "Project Grant Standard Provisions Annex" (Annex 2) is attached and forms part of this Agreement.

IN WITNESS WHEREOF, the Grantee and the United States of America, each acting through its duly authorized representatives, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

ARAB REPUBLIC OF EGYPT

BY:

A. Meguid

NAME: Dr. Abdel Razzak Abdel Meguid
Deputy Prime Minister for
TITLE: Economic & Financial Affairs &
Minister of Planning, Finance
& Economy

UNITED STATES OF AMERICA

BY:

Alfred L. Atherton, Jr.

NAME: Alfred L. Atherton, Jr.
TITLE: American Ambassador

Implementing Organization

In acknowledgement of the foregoing Agreement, a representative of the
implementing organization has subscribed his name:

MINISTRY OF EDUCATION
AND SCIENTIFIC RESEARCH

BY:

Mustafa Kamal Helmi

NAME: Dr. Mustafa Kamal Helmi
Minister of State for
TITLE: Education & Scientific
Research & Chairman, Supreme
Council of Universities

ANNEX 1

Description of Project

This Project will assist the Grantee to engage faculty members of Egyptian universities in solving problems of development.* This Project will accomplish this aim by establishing a procedure to award subgrants to assist Egyptian universities, in collaboration with U.S. universities, either to solve problems of development or to increase their capacity to do so.

The Project will finance two categories of joint United States-Egyptian activities: (1) direct problem-solving focused on development areas of high priority to Egypt, and (2) building the capacity of Egyptian universities either as support for direct problem-solving or as an eventual aid to Egypt's effort to develop. Only those activities listed in Table I, following, will be eligible for Project funding. To be eligible for funding, university capacity building must be justified in terms of how it affects development problem areas selected each year as part of the subgrant cycle. Egyptian universities will have the opportunity to suggest problem areas. Based on such suggestions, problem areas which will be eligible for funding will be selected and ranked. Capacity building will include, among other things, faculty improvement, research, curriculum revision, and outreach programs.

* For purposes of this Project, "solving problems of development" means bringing about economic, technical or social change in Egyptian society. The particular problems to be addressed will be further delimited during Project implementation.

Table I
University Linkages
Eligible Linkage Activities

I. Direct Problem Solving

- Joint research (w/Grantee, Public Sector, and/or Private Sector in advisory role)
- Joint seminars/workshops/conferences (w/Grantee, Public Sector and Private Sector invited)
- Joint consultative/advisory roles (w/Grantee, Public Sector, and/or Private Sector as team members)

II. Capacity Building

- Faculty exchange
- Joint seminars/workshops/conferences between linkage universities (w/possible Grantee, Public Sector or Private Sector participation)
- One way U.S. consultative/advisory role
- U.S. graduate study for Egyptians

Collaborative activities funded by the Project may be of two types:

(1) maxi-linkages, which are comprehensive, long-term, multiple activities involving the same Egyptian and United States universities and focusing on a single problem area, or

(2) mini-linkages, which are low-cost collaborations in one or more activities involving the same Egyptian and United States universities, and probably focusing on one aspect of a single problem area. The two types of collaboration differ principally in intensity, longevity and cost.

Both types of collaboration will engage Egyptian universities more fully in the process of development by inducing faculty members to work directly on solving problems of development.

The Project will have two phases. In the first phase, which will last about one year, the FRCU will establish, with the assistance of a long-term United States contractor, procedures for awarding subgrants and will undertake a small-scale trial subgrant program limited to mini-linkages. Full-scale operations will commence in the second phase with subgrants for both maxi- and mini-linkages. Subgrant-award cycles will recur annually. The long-term United States contractor will provide technical assistance during both phases.

Problem solving activities will reflect the priorities of Egyptian development needs as defined by Egyptians. The Egyptian Five-Year Plan (1980-84) will be used as the fundamental guide in selecting and ranking development problem areas. However, it is expected that problems of agriculture and rural development, population and health, and education and human resources will be emphasized. Standard A.I.D. restrictions as set forth in A.I.D. Handbook 1, as from time to time revised, will apply to the use of A.I.D. funds. For this reason, activities in weather modification; police, public safety, or military training and related fields; and training or research in nuclear technology will not be permitted under the Project. Each year before the Grantee solicits proposals for awards, the problem areas will be mutually agreed to by the Grantee and A.I.D.

The Parties encourage the participation of U.S. land-grant universities in Project linkage activities. Accordingly, \$2,500,000 of the total A.I.D. funding shall be reserved for awards for linkages with such universities. A.I.D. will designate in a Project Implementation Letter the institutions which will be eligible for awards from the reserved funds. Any portion of the reserved funds which has not been awarded within three years after the signing of this Agreement shall revert to general Project use. The reserved funds represent the minimal amount of funding available for U.S. land-grant universities and the reservation of funds shall not be construed to limit the participation of such universities in linkages using the \$25,000,000 of unreserved A.I.D. Project funding.

Project Guidelines

The following guidelines summarize some general understandings about the Project. They are intended to guide the FRCU, the Joint Executive Board, and the long-term contractor in implementing the Project. In the course of implementing the Project, the Parties understand that the Joint Executive Board may need to modify certain guidelines. The details of organization and procedure necessary to implement the Project will be formulated by the FRCU with the assistance of the long-term U.S. contractor during Phase I of the Project, subject to A.I.D. approval.

Activities will be selected for funding on a competitive basis. All Egyptian universities which are members of the SCU will be eligible for

subgrants. All United States universities and institutions of higher learning which are recognized by the SCU as part of its normal accreditation process will be eligible for awards. Existing or future relationships between United States and Egyptian universities will not affect eligibility for linkage awards, except that a university may not receive subgrants for more than two maxi-linkages over the life of the Project.

A U.S.-Egyptian Joint Executive Board will establish policy for the FRCU. This board must approve all maxi-linkage awards. Each maxi-linkage will have its own U.S.-Egyptian linkage advisory committee for technical guidance. The FRCU will draw on the SCU standing committees for technical support.

Awards for mini-linkages and maxi-linkages may be made for the same problem area. However, a problem area will generally not have more than one maxi-linkage, but may have several mini-linkages. The FRCU may decline to make awards in a given problem area if the evaluating committees deem the proposals in that area inadequate.

Not more than one-third of the A.I.D. funding may be awarded as subgrants in any one Project year. Some awards must be made in each Project year.

At least one-third of the awards made in a given year will be reserved for mini-linkages.

During Phase I, the FRCU will develop criteria for selecting linkage proposals for funding and will communicate these criteria to all interested parties, for example, by including these criteria in the solicitation for linkage proposals. The following criteria should be

be included if possible: (i) qualifications of the faculties involved, (ii) technical merit of the approach, (iii) significance of the problem addressed, (iv) cost effectiveness, and (v) adequacy of the plan for utilizing the results of the linkage.

In making an award for a maxi-linkage, the FRCU may establish conditions for the management of the maxi-linkage as appropriate. Activities included within a mini-linkage will be fixed once the mini-linkage proposal is approved by the FRCU.

The results and findings of linkage activities, including data developed, will generally be made available for public dissemination and use. Procedures should be developed to insure that all information developed is transmitted to the relevant Grantee ministries.

The compensation policy of the Fulbright Commission, modified to include personal compensation for work performed in one's own country, will be the basis for Project compensation (Table II). No overhead will be paid under the Project, as is the policy with most grant foundations. However, direct costs that can be substantiated will be eligible for reimbursement in the case of U.S. universities. Overhead and non-salary direct costs in the case of Egyptian universities are considered part of their contribution to the Project.

The compensation guidelines will be reviewed two years after Project inception and revised if necessary.

Initially, A.I.D. funds may be used to pay incentive compensation to Egyptian members of a linkage team and to employees of the FRCU. The Grantee will establish compensation rates and policy for both groups during Phase I of the Project, subject to A.I.D. approval. An interim compensation policy will be established for FRCU employees, if necessary, to allow initial operations to begin. A.I.D. funds will be used to compensate work performed under the Project that exceeds an employee's normal responsibility and will not be used to replace or pay normal salaries.

The Grantee will begin to pay all incentive compensation for Grantee employees as soon as possible but, in any event, not later than the start of Grantee's third fiscal year after the conditions precedent specified in Section 5.2 are satisfied.

Table II

University Linkages

Compensation Policy Guidelines 1/

	<u>Egyptian</u>	<u>U.S.</u>
1. Travel	Fulbright Policy	Fulbright Policy
2. Per Diem	Intl: Fulbright Policy Egypt: University Policy	Intl: Fulbright Policy USA: USG Area Rates
3. Salaries/Stipends <u>2/</u> Honoraria/Benefits	USA: Fulbright Policy Egypt: Direct Costs <u>3/</u>	Egypt: Fulbright Policy USA: Direct Costs
4. Allowances/ Differential <u>4/</u>	USA: Fulbright Policy Egypt: None	Egypt: Fulbright Policy USA: None
5. Housing/Utilities <u>4/</u>	USA: Fulbright Policy Egypt: None	Egypt: Fulbright Policy USA: None
6. University Overhead	None	Substantiated Direct Costs only

1/ No costs incurred prior to linkage awards will be paid.

2/ No personal compensation will be paid for participation in seminars, conferences, workshops.

3/ Compensation rates and policy will be established during Phase I of the Project and agreed to by A.I.D. A.I.D. Grant funds may be used to pay incentive compensation to Egyptian faculty members during the period required for Grantee funding to be obtained through its normal budgetary process. Thereafter, the Grantee will pay all Egyptian compensation under the Project. A parallel policy shall be in effect for employees of the FRCU.

4/ It is recommended that a Fulbright-type support service be provided to visiting U.S. and Egyptian faculty members. Long experience in the Fulbright program has shown that faculty members are more effective and have a better personal experience if they receive assistance with travel, housing, local regulations, etc.

Technical Assistance and Training

Technical assistance and training will be provided to the FRCU under a host-country contract to assist it to develop and operate as an effective subgrants commission. A U.S. contractor, probably a grant foundation, will provide long-term advisors, short-term consultants, and both U.S. and in-country training.

The Parties anticipate that during Phase I, the contractor will assist the FRCU to develop the following:

- (i) FRCU organizational structure
- (ii) FRCU operational procedures and policies;
- (iii) FRCU personnel/space/equipment requirements
- (iv) Role & composition of committees & boards
- (v) Development problem identification procedure
- (vi) Subgrant proposal, evaluation, and award procedure
- (vii) Accounting, legal and disbursement procedures satisfactory to A.I.D. and standard provisions for linkage awards; and
- (viii) Information system on U.S. universities and academic associations

During Phase II, the contractor will assist the FRCU to refine the administration and management of the subgrant process.

Commodities

A few commodities will be procured to set up the FRCU. Review and identification of equipment and supply requirements and their specifications will be made in the early fall of 1980. Procurement may commence when the conditions precedent to initial disbursement have been met.

Commodities may also be purchased with A.I.D. funds for use in the various linkage activities. Such commodities will be limited to use in Egyptian universities and are expected primarily to be teaching or research materials and equipment. No supplies ordinarily stocked by participating university departments, vehicles or furniture will be eligible for A.I.D. funding as part of a linkage award.

Implementation

Project implementation will be the responsibility of the FRCU within the SCU.

The FRCU will have primary responsibility for the daily operations of the subgrant process and will coordinate and direct its administration. A joint U.S.-Egyptian executive board, including a non-voting member from A.I.D., will be created to provide overall policy guidance to the FRCU and to review and approve recommendations for the maxi-linkages. Evaluation-advisory and policy-advisory committees, drawn largely from the standing committees of the SCU, will provide staff support to the FRCU on technical evaluation matters and the selection of development problem areas. The Committees will generally contain membership from relevant Grantee ministries, the private and public sectors, and the FRCU.

A linkage advisory committee will be formed for each maxi-linkage with the membership largely drawn from the participating universities. Relevant Grantee ministries, the private and the public sectors and the FRCU will also be represented. Membership in the linkage-advisory committees is intended to overlap partially with membership of the policy- and evaluation-advisory committees that will provide support to the FRCU.

Disbursement Procedures

A.I.D. will disburse funds to the FRCU on the basis of an itemized monthly reimbursement request and such other supporting documentation as A.I.D. may require. The FRCU will be expected to make all direct disbursements required under the Project, except for disbursements under an A.I.D. direct letters of commitment to U.S. contractors. A working capital advance will be made to the FRCU after the Conditions Precedent to initial disbursement are met.

The FRCU will make subgrants in accordance with A.I.D. Handbook 13 to the extent such procedures can be made applicable.

Financial Plan

An estimated Project budget and illustrative financial plan are shown in Table III. All Grantee contributions will be in local currency.

Table III
University Linkages

Summary Cost Estimate and Financial Plan

(\$ million)

	<u>AID</u>		<u>GRANTEE</u>		<u>TOTAL</u>	
	<u>\$</u>	<u>L.E.*</u>	<u>\$</u>	<u>L.E.*</u>	<u>\$</u>	<u>L.E.*</u>
U.S. Salaries/Allowances	7.35	0.36	-	-	7.35	0.36
Egyptian Salaries/Allowances	2.21	3.86	-	2.59	2.21	6.45
Air Travel/Per Diem	1.72	4.90	-	0.10	1.72	5.00
Technical Assistance/Training	1.44	0.26	-	-	1.44	0.26
Equipment/Supplies	2.55	2.55	-	0.30	2.55	2.85
Project Evaluation	0.25	0.05	-	-	0.25	0.05
Overhead	-	-	-	3.87	-	3.87
	15.52	11.98	0	6.86	15.52	18.84
	\$27.5		\$6.86		\$34.36	

* Dollar equivalent of L.E. costs, @ \$1 = L.E. .70